SUPREME COURT, U. S.

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IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1969

No. 322

MONTECATINI EDISON S.p.A., *Petitioner,*

v.

E. I. du PONT de NEMOURS & COMPANY, *Respondent.*

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

EDWARD S. IRONS
MARY HELEN SEARS
Irons, Birch, Swindler & McKie
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036
Attorneys for Petitioner
Montecatini Edison S.p.A.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

Petitioner prays that a writ of certiorari issue reviewing the judgment of the Court of Appeals for the Third Circuit entered in the subject case on April 18, 1969.

THE OPINION BELOW

The opinion of the Court of Appeals for the Third Circuit (*infra*, p. 1a) is not yet reported. The order of the District Court for the District of Delaware (*infra*, p. 11a) is unreported. An earlier opinion of the Court of Appeals for the Third Circuit in this case is reported at 388 F. 2d 215 (1968) (A27-41)* and the opinions of the District Court for the District of Delaware which that opinion affirmed are reported at 259 F.Supp. 922 (1966) and 264 F.Supp. 734 (1967).

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* As used herein, "A" refers to the joint Appendix before the Third Circuit Court of Appeals in the second appeal, No. 17,524; "N.Br." to petitioner's opening Brief below; "D.Br." to respondent's Brief below; and "N.R.Br." to petitioner's Reply Brief below.

Unless otherwise stated, all emphasis herein is added emphasis.

JURISDICTION

The judgment of the court below was entered on April 18, 1969. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTIONS PRESENTED

1. Is the enforcement of the uncompromising duty of patent applicants and their attorneys to disclose to the Patent Office all facts concerning the equities of each pending patent application a discretionary function of the lower federal courts?

2. Does the federal preemption for *public* benefit of the prerogative to grant patents preclude the recognition of *private* work product and privilege claims based on state law concepts for documents relating to the solicitation of a patent before the United States Patent Office?

3. Did *Sperry* v. *Florida*, 373 U.S. 379 (1963), confer broad generalized privilege and work product immunities on patent solicitation activities?

4. Is any legitimate social policy served by the immunization of documents from production under Rule 34 as "work product" through the exercise of judicial discretion,

   (a) based on *in camera* review,

   (b) in derogation of an earlier final ruling by the same court that "good cause" exists for the production of a category including the same documents,

   (c) whereby the "work product" doctrine is extended

      (i) to documents relating to patent solicitation proceedings generally, and

      (ii) to all corporate patent department records prepared for a specific proceeding?

STATUTES AND RULES INVOLVED

The statutory provisions involved are 35 U.S.C. §§ 24 and 135. The case also involves Federal Rule 34 and the

public imperatives of the Patent Laws of the United States as delineated by this Court pursuant to Article 1, Section 8 of the United States Constitution.

STATEMENT OF THE CASE

This case arises from an action under 35 U.S.C. 24 ancillary to Interference 89,634 pending before the Board of Patent Interferences of the United States Patent Office.

As the Third Circuit Court of Appeals said in its opinion filed January 4, 1968 in the first appeal in this case:

> "Interference 89,634, the one involved in this appeal, was originally declared in 1958 and concerned five patent applications assigned to Montecatini, duPont, Phillips Petroleum Company, Standard Oil of Indiana and Hercules, Inc. Montecatini was made senior party on the basis of the filing date of its Italian patent application on June 8, 1954. DuPont, originally assigned a filing date of December 30, 1955, relied on 35 U.S.C. § 120 and 37 C.F.R. § 1.235, and moved to shift the burden of proof relying upon its earlier application of August 19, 1954. The Examiner agreed and awarded duPont the benefit of the earlier date thereby placing it second in seniority to Montecatini. Hercules was dropped from the proceeding, and Standard Oil of Indiana and Phillips Petroleum Company were given dates of October 15, 1954 and January 11, 1956 respectively.
>
> * * * * *
>
> "After all the junior parties presented their cases, Montecatini was assigned the period March 29, 1966-July 29, 1966 in which to complete its testimony. By virtue of 35 U.S.C. §§ 104 and 119, Montecatini's proofs must be limited to rebutting attempts by the junior parties to establish an earlier date. Montecatini may not establish for itself a date earlier than June 8, 1954, the date of its Italian patent application. Monaco v. Hoffman, 189 F.Supp. 474 (D.C.D.C. 1960), affirmed, 293 F. 2d 883, 110 U.S. App. D.C. 406 (1961).

> In an effort to obtain the necessary proofs, Montecatini initiated a Rule 34, Fed. R. Civ. Proc., motion below on June 30, 1966 as one of three companion ancillary proceedings it brought against each of the junior parties to the interference. The motion was based on 35 U.S.C. § 24 . . . ." (A28)

The first appeal was taken by respondent here—E. I. du Pont de Nemours & Company ("du Pont")—under 28 U.S.C. 1292(b), from an order of the district court dated March 3, 1967 (A24) granting certain document production to petitioner but reserving for later disposition claims of "privilege or trade secret" based upon specific documents.

A. The "Privilege" Issues and Their Treatment in the District Court

Prior to the first appeal du Pont advanced to the Delaware district court a generalized argument that most, if not all, of the document production sought by petitioner should be denied on the ground of attorney-client privilege. In its March 1, 1967 opinion, which constituted the basis for the March 3, 1967 order, the district court rejected du Pont's contention, stating:

> ". . . [W]hile there is some case law [16] to the contrary, this Court follows the rule of this District that communications to and from a lawyer serving in a corporation patent department are excluded from the attorney-client privilege. Zenith Radio Corp. v. Radio Corp. of America, 121 F.Supp. 792 (D. Del. 1954); American Cyanamid Co. v. Hercules Powder Co., 211 F.Supp. 85 (D. Del. 1962). See also United States v. United Shoe Machinery, 89 F.Supp. 357 (D. Mass. 1950).

"[16] Georgia-Pacific Plywood Co. v. United States Plywood Co., 18 F.R.D. 463 (S.D.N.Y. 1956); Ellis-Foster Co. v. Union Carbide and Carbon Corp., 159 F. Supp. 917 (D. N.J. 1958); International Minerals and Chemicals Corp. v. Golding-Keene Co., 162 F. Supp. 137 (W.D. N.Y. 1958).

> "From an examination of the description of the categories to be produced and of the briefs filed with the Court, all of the documents appear to fall within the above quoted language. Attorney-client privilege, therefore, does not seem to preclude the production of any of the documents heretofore ordered. However, if DuPont feels that certain of its file material does not come within the language of privilege in *Zenith*, supra, and will assemble it, it may make an application for relief . . . ." (A21-22)

Nowhere in the opinion or the resultant order was "work product" mentioned.[1]

In its opinion on the first appeal, the Third Circuit specifically approved this action by the district court as follows:

> "We have examined duPont's claims involving trade secrets, cost of compliance and privilege. In our judgment the Court below adequately considered these issues. Its order properly protects any claim duPont may have in this regard." (A35)

"Work product" was again *not mentioned.*

Upon return of the case to the district court, duPont filed a "List . . ." of some eleven documents "With Respect to Which the Party Baxter et al. Asserts a Claim of Privilege" (A45-47). For each of the documents numbered 1, 3, 6 and 8, the list asserted claims of both "attorneys work product" and attorney-client privilege. Upon inspection of this list petitioner's counsel agreed not to press for five of the eleven documents.

The balance, including documents 1, 3, 6 and 8, were submitted to the district judge for *in camera* inspection. In addition

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[1] The district court's failure to allude to work product in its March 1, 1967 opinion is significant in the context of the antecedent record and the "good cause" discussion in the opinion.

In the supplemental reply brief filed January 3, 1967 (p. 26, n. 27) petitioner urged that du Pont's barely mentioned, but neither discussed nor substantiated, work product claims should be summarily overruled in face of petitioner's good cause showing.

> "The general nature of those documents was set forth by duPont's counsel in a letter dated June 18, 1968 addressed to the District Court. That correspondence was at the request of the trial court and was added to the docket for purposes of this appeal by stipulation and order. . . ." (*infra*, p. 3a)

The district court received no additional arguments or briefs. On July 3, 1968 it entered an order that "the six documents submitted will be protected from discovery as *privileged* and so, outside the scope of Rule 34" (A52). The order did not mention "work product" and was presumably based upon the "privilege" discussion in the March 1, 1967 opinion, *supra*, pp. 4-5.

On July 16, 1968 the district judge *sua sponte* requested petitioners to file a motion for reargument (A76). At an oral hearing held at his behest on July 18, 1968, Judge Layton explained to both parties that he was then writing the opinion now reported as *Sperry Rand Corp.* v. *International Business Machines Corp.*, 45 F.R.D. 287 (1968), in which he expected that he "might . . . depart slightly from my [earlier] views in Natta" (A60) (*supra*, pp. 4-5). As he said:

> ". . . The thing is, there is a conflict in this district. Judge Steel, Judge Wright and myself are not completely together on this point. It is bad enough to have conflicts in circuits, but it is not good to have one in our own district. I want to see if we cannot pull this whole thing together here, say, in writing my IBM-Sperry opinion which I am in the process of doing now, but I have not hit this point. I would like to have your views as to the law of the case in Natta. Then I will know that whatever I do in IBM and Sperry, it may or may not have any application in Natta." (A60-61)

On August 6, 1968, after receiving a copy of the *Sperry Rand* opinion, counsel for petitioner communicated to the district court their view that no binding "law of the case" effect followed from the "privilege" section of the March

1, 1967 decision which had not been reviewed on its merits in the first appeal.

In the same letter, counsel for Natta offered to make a "privilege" reargument, stating:

> ". . . We believe, and will wish to argue [on appeal] on behalf of Natta et al, for reasons previously argued before Your Honor including the public interest which dominates the patent system, that privilege—if available at all in patent cases—should be held in severely restricted compass. We are prepared to reargue this before Your Honor if this is still desired." (A78-79)

No opportunity for further argument was afforded.

On August 23, 1968 the district court entered its final order citing the *Sperry Rand* opinion, holding two of the six documents "not privileged" and directing that they "must be produced" but indicating that "documents numbered 1, 3, 6 and 8, may be withheld as *attorney work product*" (*infra*, p. 11a).

Thus, petitioner was first advised that on reconsideration the "attorneys work product" contentions—which were *not* expressly reserved for later disposition in the March 1, 1967 opinion—had, without notice to petitioner, been entertained by the district court *on their merits*.

Petitioner's appeal to the Third Circuit followed.

B. Treatment of the "Privilege" Issues in the Court of Appeals

Before the Third Circuit, petitioner exposed in detail the unsettled state of privilege-work product law incident patent solicitation,[2] pointing out that

> "The courts generally have failed to 'mediate between' (1) the paramount public policy considerations peculiar to the field of corporate *patent solicitation* which foreclose the work product and privilege immunities of the type here asserted by duPont and (2)

[2] See N.Br. 9 and 33-40; see also *infra*, p. 14, n. 12.

> the competing social policies by which those immunities are sometimes justified in ordinary litigation." (Emphasis in original) (*infra*, p. 3a)

Petitioner asked for an express determination, based on careful reevaluation of the dissident policies and their relationship, of whether any justification exists for the continued recognition of such immunities in the patent solicitation field. Petitioner urged—as the appellate opinion puts it—

> ". . . substantially that the paramount federal patent policy of full disclosure precludes use of privilege and work product immunities to deny access to information concerning the solicitation of a party's own patent. That argument is not premised on a challenge to these immunities in any form in patent proceedings but is concerned only as to the allowance of the attorney-client and work product immunities in connection with the solicitation of a party's own patent . . . ." (*infra*, pp. 3a-4a)

Petitioner particularly pointed out that since there is a duty to fully disclose all relevant facts concerning the equities of a patent application to the Patent Office during its solicitation, there cannot properly be *any information* upon which the privilege and work product immunities can properly operate. Obviously, neither promotion of "freedom of consultation with lawyers" (*infra*, p. 5a) nor "prevention of unnecessary interference with the work" (*infra*, p. 8a) of a lawyer—the policy grounds on which attorney-client privilege and work product immunities respectively are often justified in ordinary litigation—has a legitimate purpose if no part of the relevant information may be suppressed.[3]

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[3] Petitioner's briefs below develop at length the reasons why allowance of the immunities to a large corporate enterprise (such as respondent du Pont) for the patent solicitation activities of its captive employee businessman-patent lawyers presents especially compelling difficulties. (N.Br. 17-28; N.R.Br. 8-17)

The Third Circuit's terse and thoroughly unsatisfactory answer was that the "policy of full disclosure" in patent solicitation, like the "search for truth" in ordinary litigation, is a maxim to be honored or ignored in the *sound discretion* of the court.

Petitioner's carefully documented cornerstone premise "that the 'modern trend of the law rejects unconditionally any idea that material relevant to a pending patent application may be withheld by either the *applicant* or his attorney'" (*infra*, p. 4a) was deemed "unwise to foster", notwithstanding this Court's frequent caution that every patent applicant owes the public the "uncompromising duty" of full disclosure to the Patent Office.[4] Borrowing liberally from the Tenth Circuit decision in *Natta* v. *Hogan*, 392 F.2d 686 (1968), and the lower court decision in the same case, 43 F.R.D. 308 (N.D. Okla. 1967), the Third Circuit employed "discretion" to shrug off the duty of full disclosure as a mere "public *interest*"—and hence, while desirable, certainly not an "uncompromising" obligation. It held:

> ". . . We fully recognize in such [patent solicitation] situations the *public interest* in full disclosure and high standards of candor and good faith expected of all parties. We cannot conclude, however, that the proper application of work product and attorney-client privilege will be detrimental to the *public interest* or offend paramount federal patent policy whenever a patent solicitation is involved. . . ." (*infra*, p. 4a) [5]

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[4] For example, in *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945). See *infra*, p. 18.

[5] At this juncture the Third Circuit quoted with unqualified approval from *Natta* v. *Hogan*, *supra*, in which the Tenth Circuit—equally unable with the Third Circuit to supply a tangible justification for the recognition of attorney-client privilege incident patent solicitation—based its holding on its own arbitrary preference (called "sound judicial discretion" by the Third Circuit). The Tenth Circuit, in part, offered the weak *non sequitur* that "[t]he public interest is in the development of truth, both in patent proceedings and in ordinary litigation. The duty of full disclosure differs from the freedom of consultation with lawyers" (392 F. 2d at 691).

It had *no solution* for the problem implicitly acknowledged—*i.e.*, it is

> ". . . *We hold* that in a particular situation *both attorney-client and work product immunity* may be available to the solicitation of a party's own patent. We reject the absolute rule urged by appellant. We deem it wise that flexibility be maintained and that sound judicial discretion be exercised on a case by case basis. . . ." (*infra*, p. 5a)

This broad-based holding that "*both* attorney-client and work product immunity" are available for patent solicitation in "sound judicial discretion" was rendered deliberately, in answer to respondent's consistent argument that the controverted documents were subject to suppression on *both* grounds (D. Br. 7, 10)—and petitioner's equally consistent position that neither immunity was available.

The Third Circuit then utilized the same "public interest" evasion to reject summarily petitioner's premise that the principle of federal supremacy "consistently applied by the Supreme Court in analogous circumstances to preserve the public policy of the patent system" is antithetical to the state law concepts of attorney-client privilege and work product in the patent solicitation field. On this issue the court said only

> ". . : That attitude necessarily implies that the acceptance of attorney-client privilege and the work product doctrine in any circumstances constitutes an encroachment upon federal patent policies. We are satisfied that recognition of the attorney-client privilege and the work product doctrine does not compromise the *public interest* in patent problems. As we have indicated this is an area calling for the exercise of sound judicial discretion with respect to each separate situation that may be advanced." (*infra*, p. 6a).[6]

No attempt was made to rationalize *the* circumstance that *this* Court's decisions base the *uncompromising* nature

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the *difference* itself which reveals immunities against disclosure as at best surplusage and at worst cloaks for nonperformance of the duty itself in the patent solicitation field where full disclosure is obligatory.

[6] This federal supremacy issue was not raised before the Tenth Circuit in *Natta* v. *Hogan*, *supra*.

of the *full* disclosure obligation on the "public interest in patent problems".

The court below thereupon proceeded to a demonstration of its own concept of "sound judicial discretion"—*i.e.*, the convenient means by which judges may reach the results they find expedient in particular cases.

Despite petitioner's express urgings to the contrary (N.R.Br. 21-22), the four controverted documents were "inspected carefully" *in camera* and on a factually sterile, out-of-context basis. The court obviously decided *a priori* that the documents ought to be suppressed. It said that "the documents are fundamentally legal opinions and analyses. The *references to factual data* are in connection with those opinions and analyses" (*infra*, p. 8a). It then proceeded to rationalize its ultimate conclusion.

Despite du Pont's urgings (D.Br. 7, 10), the Third Circuit did not posit its permission to withhold the controverted documents on the ground of attorney-client privilege—no doubt because it, like the Delaware district court, recognized that du Pont had not provided an evidentiary record establishing the factual prerequisites to attorney-client privilege. The court instead justified its finding of immunity for the four documents before it on the "*separate* and *distinct*" attorney work product doctrine (p. 7a, *infra*, n. 7)—which it conveniently rendered *inseparable* and *indistinct from* attorney-client privilege in virtually its next breath.

Confronted at the threshold with its own earlier final ruling that petitioner had shown good cause for all documents within subject matter categories embracive of the four, it concluded that the *ex post facto* immunity claims for them constituted "preserved . . . claims of *privilege*" under Rule 34[7]—thus running afoul of the circumstance shown clearly in the March 1, 1967 district court opinion

[7] No effort was made to deal with petitioner's point (N.R. Br. 9) that the four documents would not even have been before the court unless *within* the prior good cause holding.

that the "preserved . . . privilege" was *only* "attorney-client" privilege.

Contradicting both *Hickman* v. *Taylor*, 329 U.S. 495 (1947) and *Natta* v. *Hogan*, *supra*, which it purported to follow, as well as its own prior decision on the first appeal (A27-41), the Third Circuit refused to accept as a dispositive good cause criterion the unavailability of the withheld factual information from any source other than du Pont's files.[8] It imposed upon petitioners "[t]he burden . . . to furnish adequate reasons from the surrounding circumstances" (*infra*, p. 7a) of the documents *per se*—a manifest impossibility on the record facts demonstrating that petitioner *could* learn such circumstances, if at all, only from the documents themselves, to which access was denied[9]—but which the *court* "inspected carefully".

In *Natta* v. *Hogan*, moreover, *all* documents relating to "tests, and experiments" including those additionally containing related "legal opinions and analyses", were ordered produced—a result *opposite* that reached below. Exercising "sound judicial discretion", the Third Circuit excused this departure from the Tenth Circuit opinion by the gratuitous finding, on a record devoid of *any* evidence, that "[t]here has been no attempt by duPont to shield from discovery" pertinent research, tests and experiments—while at the same time acknowledging the "fact" that these withheld documents "recite . . . data" (*infra*, p. 8a).

The Tenth Circuit's use of "sound judicial discretion" to protect the handwritten notes of a named attorney—a

[8] For document 1 only the Third Circuit rejected a further criterion recognized by the Delaware district court in its March 1, 1967 opinion, affirmed on the first appeal—to wit, the death of "two key DuPont employees, active in the events relied on by DuPont" (A14-15). The record shows one of these "key" people was Ambrose McAlevy, author of document 1, who wrote and prosecuted *ex parte* the patent applications involved in the interference.

[9] See, *e.g.*, paragraph XVII of the Oklahoma District Court opinion, 43 F.R.D. at 314, describing the totally parallel factual situation attending the purported "work product" documents in the files of Phillips Petroleum Company and the similar findings in the March 1, 1967 district court opinion below (A14-17).

maneuver which necessitated that *Hickman, supra,* be expanded to include "[a]n attorney's work in the patent law field" (*infra*, p. 8a)—became the Third Circuit's excuse for its refusal to "limit the authority of the work product doctrine to court of record litigation" (*infra*, p. 7a). Here again, moreover, the pervasive influence of the documentary content—known only to du Pont and the court—is apparent. Positing its ruling on "the kind of documents we have in this appeal" (*infra*, p. 9a), the Third Circuit did not even acknowledge the anomaly in permitting a corporation virtually to practice law by protecting as "work product" documents prepared by its law degree-holding businessman-employees as part of their normal duties. It simply noted that the controverted documents "are not the ordinary business records of a corporate legal department but were prepared especially for the said Interference" (*infra*, p. 7a)—a dubious conclusion, as petitioners advised the Third Circuit, with respect to the authors of at least documents 3 and 6, who have no known connection with the interference (N.R.Bs. 11, note 9)—and one which, even if true, could be of no real significance. It is hard to imagine a patent solicitation document that would *not* be prepared "especially for" a particular patent application or an interference involving it.[10]

Summing up, the Third Circuit again emphasized "discretion" as the key to all immunity questions arising in the context of patent solicitation. It stated:

> "... [W]e must agree with appellee's position that the trial court was within its discretion . . . in not requiring production of the documents. Implicit in our findings is a rejection of Montecatini's assertion that the policy considerations peculiar to the federal patent laws in every instance call for the production of the kind of documents we have in this appeal even though they may be genuine attorney work product." (*infra*, pp. 8a-9a)

[10] The court did not explain *how* "the prevention of unnecessary interference with the work of an attorney" rationale can justify protecting the work product of either dead lawyers (document 1) or those who are non-participants in the interference (documents 3 and 6).

REASONS WHY THE WRIT SHOULD BE GRANTED

The decision below constitutes an outright challenge to federal patent policy and its supremacy over state law. The writ should be granted to preserve the integrity of the federal patent system and to protect the transcendant rights of the public, "a silent but an important and interested party in all patent litigation".[11]

Questions concerning the enforcement of the uncompromising duty of full disclosure to the Patent Office during the solicitation period of all facts relating to the *bona fides* and equities of a pending patent application arise in virtually every patent case. Questions concerning the scope of attorney-client privilege and work product immunities properly available incident patent solicitation activities likewise arise in almost every patent case.

The decision below makes clear that the uncompromising duty of full disclosure is not properly understood in the lower courts. The attempted substitution of sound judicial discretion on a case-by-case basis for its strict enforcement will, if not curbed by the Court at this time, continue to have far-reaching effects detrimental to the public and beneficial to those who would exploit patents unscrupulously for private gain.

Of at least equal concern to this Court is the widespread confusion in the lower courts concerning the attempted application of privilege and work product concepts to patent solicitation activities.[12] The untrammeled use by the lower

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[11] *Graham* v. *John Deere Co.*, 333 F. 2d 529, 535 (8 Cir. 1964), *aff'd* 383 U.S. 1 (1966).

[12] The conflict in the Delaware district court mentioned by Judge Layton on July 18, 1968 (*supra*, pp. 4-5) is a localized manifestation of a country-wide problem. The overall confusion in the case law extends to the results reached, the reasons given for reaching them, *and* what the reasons mean. Cases illustrative of the confusion include those discussed *infra*, pp. 23 to 27. The confusion has occasioned extensive comment in legal periodicals, even in the limited time period since 1960.

Thus, the conflict in the State of Delaware is discussed in Gambrell and Kayton, *Patent Law in Perspective*, 36 Geo. Wash. L.R. 545, 582 (1967). More generalized discussions appear in Richard S. Maurer, *Privileged*

courts, case by case, of what they euphemistically call sound judicial discretion, largely based on *in camera* documentary review, has generated a veritable patchwork quilt of results. The situation is so aggravated that the lawyer who would venture to predict to his client the outcome of a privilege or work product claim in the patent solicitation field might well qualify as a practitioner in the occult. The perpetuation of "sound judicial discretion" as the touchstone of decision "in complex patent problems" (*infra*, p. 4a), where involved documents alone frequently number in the hundreds or even thousands,[13] is a severe drain upon the energies and time of the already overtaxed lower federal courts.

Maintenance of the "sound judicial discretion" *modus operandum*, moreover, is not even conducive to proper implementation of the policies which justify recognition of attorney-client privilege and work product in *appropriate* instances. Neither "freedom of consultation with lawyers" nor "prevention of unnecessary interference with the work of an attorney" is furthered where client and attorney alike are under a duty of full disclosure to the Patent Office. And the decision below, like *Natta* v. *Hogan*, *supra*, on which it heavily relies, has the further vice of inviting many district courts to liberalize their privilege-work product views, in derogation of the *caveat* of even its staunchest proponents that privilege in any form is "an obstacle to the investigation of the truth" which "ought to be *strictly* confined within the narrowest possible limits consistent with the logic of its principle" (8 Wigmore § 2291 at 554).

Communications and the Corporate Counsel, 28 The Alabama Lawyer 353, 374 (1967); *The Attorney-Client Privilege and Its Application to Patent Attorneys*, 2 Duquesne U. L. Rev. 286 (1964); Jox, *Attorney-Client Privilege—Its Application to a Corporate Client*, 3 Washburn L. J. 33, 45 (1964); Lagani, *The Patent Attorney and Attorney-Client Privilege*, Vol. XLIX, No. 5, J. Pat. Off. Soc'y 328 (1967); and *Civil Procedure—Patent Attorneys—Only Documents Prepared During Pendency of Litigation Held Within Protection of Attorney-Client Privilege*, 42 N.Y. U. L. Rev. 1176 (1967).

[13] See, for example the Petition in *Natta* v. *Standard Oil Company of Indiana*, No. 1346, October Term, 1968, *cert. denied*, 23 L. Ed. 2d 223 (1969).

The decision below is pointedly in conflict with the decision in *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Machinery Co.*, *supra*, and associated cases holding that an uncompromising duty of full disclosure to the Patent Office exists (pp. 16 to 21, *infra*). It further conflicts in principle with the body of law which recognizes the federal supremacy of the patent laws and has consistently struck down efforts at circumvention based on conflicting state law principles (pp. 21 to 23, *infra*). It rests upon an interpretation of *Sperry* v. *Florida*, 373 U.S. 379 (1963), as rendering patent solicitation a "privileged" field which is itself a subject of conflict in the federal courts (pp. 23 to 27, *infra*).

The additional conflicts concerning the application and scope of the work product doctrine (pp. 27 to 33, *infra*), especially with *Hickman* v. *Taylor*, *supra*, are alone deserving of this Court's attention.

A. The Conflict With the Full Disclosure Cases

Only recently this Court noted that "federal law requires that all ideas in general circulation be dedicated to the common good unless they are protected by a valid patent."[14] Under federal law "the primary responsibility for sifting out unpatentable material lies in the Patent Office. To await litigation is—for all practical purposes—to debilitate the patent system."[15] *A fortiori*, effective discharge of that primary responsibility requires that the Patent Office be furnished with *all* facts relating in any way to the equities and *bona fides* of the patent applications which it processes. The proceeding before the Patent Office indeed is largely *ex parte* and in most cases the Patent Office has no way to ascertain the truthfulness of the representations made.[16]

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[14] *Lear, Inc.* v. *Adkins*, No. 56, October Term, 1968 (June 16, 1969 Slip Opinion, p. 14).

[15] *Graham* v. *John Deere Co.*, 383 U.S. 1, 18 (1966).

[16] In *Corning Glass Works* v. *Anchor Hocking Glass Corp.*, 253 F. Supp. 461 (D. Del. 1966), *reversed on other grounds* 374 F. 2d 473 (3 Cir. 1967), the district court recognized that this circumstance renders full disclosure

One limited facet of the patent solicitation process—the interference procedure—*is inter partes* and *does* afford the *opportunity* of providing the Patent Office with complete information if testimony is taken. 35 U.S.C. 24 provides the mechanism by which an interference party may in such cases obtain for presentation to the Patent Office oral and documentary evidence controlled by his adversary.

But use of this process to compel disgorgement of pertinent facts is a relatively rare occurrence. In general, only a small percentage of patent applications ever become involved in interferences as demonstrated in the Commissioner of Patents Annual Report for the Fiscal Year 1968 which reflects the pendency on June 30, 1968 of 189,909 patent applications and 882 interferences. Moreover, even in interferences, process to compel disclosure has been invoked but infrequently.[17]

"necessary" with respect to all facts, including those *not* "legally material to the issuance of a patent" (253 F. Supp. at 470). *Corning* was "distinguished" below as not involving "the work product principle or attorney-client privilege" (*infra*, p. 4a, n. 6).

[17] From 1922, when the predecessor statute to 35 U.S.C. 24 was first amended to make document production available in interference proceedings, until the passage of the 1952 Patent Act, there appear to be only two reported cases in which an attempt was made to invoke the statute to obtain documents—to wit, *Tucker* v. *Peiler*, 297 F. 570 (2 Cir. 1924), and *Okun* v. *Kastner*, 1 F.R.D. 599 (D.R.I. 1941). From that time until petitioner invoked 35 U.S.C. 24 in the interference to which this case is ancillary, reported cases involving attempts to obtain documents for use in interferences seem to number only four; *viz.*, *Gladrow* v. *Weisz*, 354 F. 2d 464 (5 Cir. 1965); *Korman* v. *Nobile*, 133 USPQ 178 (W.D. Mich. 1962); *Korman* v. *Shull*, 310 F. 2d 373 (6 Cir. 1962); and *Morris* v. *Hillyer*, 132 USPQ 668 (D. Conn. 1961).

An apparent primary reason for the failure of patent lawyers generally to invoke 35 U.S.C. 24 is the attitude of the patent bar, as expressed by respondent du Pont's counsel at an early stage of the district court proceeding, that "a party to an interference is entitled to present and rely on its best case. It is not necessary that it present its worst case, and it is not necessary or justifiable that somebody else present its worst case" (Aug. 30, 1966 hearing transcript, p. 56). That attitude has seemingly fostered a sort of gentleman's agreement among patent lawyers not to invoke the statute. After petitioner's successful pursuit of the remedies available under 35 U.S.C. 24 in an interference to which this case is ancillary, one of respondent's employee patent-attorneys, Mr. A. Newton

With full cognizance of these disabilities under which the Patent Office normally labors, this Court in *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945), defined as an "uncompromising duty" the responsibility of all patent applicants to report to the Patent Office "all facts concerning *possible* fraud or inequitableness underlying the applications in issue". It said,

> ". . . This duty is not excused by reasonable doubts as to the sufficiency of the proof of the inequitable conduct nor by resort to independent legal advice. Public interest demands that all facts relevant to such matters be submitted formally or informally to the Patent Office, which can then pass upon the sufficiency of the evidence. Only in this way can that agency act to safeguard the public in the first instance against fraudulent patent monopolies. Only in that way can the Patent Office and the public escape from being classed among the 'mute and helpless victims of deception and fraud' ". (324 U.S. at 818) [18]

In *Kingsland* v. *Dorsey*, 338 U.S. 318 (1949), this Court recognized that the "uncompromising duty" to fully inform the Patent Office devolves equally upon the applicant *and* his patent solicitor.

In *Chas. Pfizer & Co.* v. *Federal Trade Commission*, 401 F.2d 574 (1968), the Sixth Circuit held that the uncompromising duty imposed by *Precision* and *Kingsland* upon patent applicants and their attorneys extends to *all information* deemed relevant by the patent examiner regardless of whether the examiner's "interpretation of patent law

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Huff, Chairman of the Committee on Reform of Interference Practice of the American Patent Law Association, initiated a movement within that committee to seek an amendment of the statute restricting its reach. See the April-May 1969 *Bulletin of the American Patent Law Assn.*, pp. 225-230.

[18] See also *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.*, 322 U.S. 238 (1944); *Keystone Driller Co.* v. *General Excavator Co.*, 290 U.S. 240 (1933); and *Walker Process Equipment, Inc.* v. *Food Machinery and Chemical Corp.*, 382 U.S. 172 (1965).

. . . is contrary to the controlling decisions'' (401 F. 2d at 585-6)—and in view of a patentee's failure to thus fully inform the examiner, affirmed a Federal Trade Commission decree of unfair competition requiring compulsory licensing of the tainted patent.

In recent times fraud and inequitable conduct in the Patent Office have been a subject of great concern to both Congress and the federal courts. Senate Report No. 97, 86th Cong., 1st Sess. (1959), shows that in an investigation on inequitable conduct in patent solicitation conducted by the Patent, Trademark and Copyright Subcommittee of the Committee on the Judiciary, a survey was made of "approximately 60 representative [patent application] files" in all of which "despite a 'final' rejection, a patent had later issued after affidavits were filed which purported to overcome the grounds of rejection" (p. 8). The Subcommittee concluded with the concurrence of the Commissioner of Patents "that in a substantial number of cases the affidavits did not appear sufficient to overcome the factual objections that they purported to overcome" (p. 8), because applicants and their attorneys had resorted to half-truths and even outright misstatements. During the limited time period from 1960 to 1968, federal court decisions in some 44 separate patent infringement suits have discussed issues of fraud and inequitable conduct raised incident the procurement of the patents in suit.

The Patent Office, despite its own most earnest efforts to police the situation, remains at the mercy of the applicants and their attorneys. This is strikingly illustrated by the fact that even though the Patent Office rules "require the striking out of an entire application for misconduct which may be less than fraud and which may relate to a portion of the application only",[19] there are apparently but

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[19] *Ex parte Mallard*, 71 USPQ 294 (1946), citing *Ames* v. *Lindstrom*, 1911 C.D. 68, 167 O.G. 241, *aff'd* in *Lindstrom* v. *Ames*, 37 App. D.C. 365 (1911 C.D. 384) (App. D.C. 1911).

seven reported cases in which the Commissioner of Patents has actually stricken a patent application on any ground.[20] Clearly, the inroads upon the uncompromising duty of full disclosure necessarily consequent from the Third Circuit's relegation of its enforcement to the realm of "sound judicial discretion" will be a severe blow to the even now no more than precariously protected rights of the public.

The attempted "distinction" below of *Precision* (and tacitly of other relevant cases, including *Pfizer*, cited by petitioner) as "not contrary" to the Third Circuit view that "such an inflexible, absolute rule" as strict enforcement of the full disclosure principle would be "unwise to foster . . . in complex patent problems (*infra*, p. 4a) rests solely on the ground that *Precision* did not involve "application of the work product principle or attorney-client privilege" (*infra*, n. 6, p. 4a). In contrast, *Ziegler* v. *Natta*, 157 USPQ 400 (S.D.N.Y. 1968), cited *Precision* as authority for holding that "whether the documents are privileged as confidential communications or as work products, these privileges disappear when otherwise a fraud would be committed on the public". Similarly, *Clevite Corp.* v. *Beckman Instruments, Inc.*, 257 F. Supp. 50, 52 (S.D. Cal. 1966), denied a work product claim on the ground that "there is a well-recognized public interest to be served in assuring that a patent monopoly does not spring from a background of fraud or other inequitable conduct [citing *Precision*] and that no known and controlling prior art was concealed from the Patent Office at the time the patent issued".

Natta v. *Hogan*, *supra*, viewed *Precision* as establishing a "duty to disclose to the Patent Office all facts relating to the possible equities of the patent application" whereby

[20] *Reed* v. *Roberts*, 1869 C.D. 88; *Ex parte Ayres*, 1890 C.D. 103; *Ex parte Altmann*, 1897 C.D. 52; *Ames* v. *Lindstrom*, 1911 C.D. 68; *Ex parte Mallard*, 71 USPQ 294 (1946); *In the Matter of the Charges Made by Examiner A. F. Kinnan*, 1911 C.D. 139; and *Wainer* v. *Errin and Ueltz*, 121 USPQ 144 (Com. Pats. 1959), *adhered to on reconsideration* 122 USPQ 608 (Com. Pats. 1959).

no interference party can "hide behind the work product doctrine the research, tests, and experiments which are pertinent to the patent application" (392 F. 2d at 693).

The Third Circuit, reserving "the exercise of sound judicial discretion with respect to each separate situation that may be advanced", would presumably limit enforcement of the uncompromising duty of full disclosure to cases in which some proof of fraud or inequitable conduct is available *a priori*—thereby fulfilling the very same role as the "resort to independent legal advice" which *Precision* interdicts.

Implicit in the fact that the uncompromising duty *exists* is the question of what possible social harm might follow from one necessary concomitant of its strict enforcement —i.e., abolition of attorney-client privilege and work product immunities for patent solicitation. *A fortiori*, applicants and attorneys who have discharged their uncompromising duty could *not* be harmed. And for those who have not performed their obligation, does not the *public* benefit consequent from their exposure render a gross irrelevancy any *private* harm which *they* alone might suffer?

B. The Conflict With the Federal Supremacy Cases

In *Sears, Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225 (1964), this Court held that the patent laws "like other laws of the United States enacted pursuant to constitutional authority, are the supreme law of the land. . . . When state law touches upon the area of these federal statutes, it is 'familiar doctrine' that the federal policy 'may not be set at naught, or its benefits denied' by the state law." (376 U.S. at 229).

In *Sears, Roebuck* and its companion case, *Compco Corp.* v. *Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), this federal supremacy principle was invoked to repudiate any interpretation of state unfair competition laws to prevent copying of unpatented and unpatentable articles.

This same principle has repeatedly been invoked in this

Court to preclude conflicting state contract law concepts from overriding federal patent and antitrust laws.

In *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249 (1945); *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U.S. 173 (1942); *Katzinger* v. *Chicago Metallic Mfg. Co.*, 329 U.S. 394 (1947); *MacGregor* v. *Westinghouse Elec. & Mfg. Co.*, 329 U.S. 402 (1947); and most recently, in the June 16, 1969 opinion in *Lear, Inc.* v. *Adkins*, No. 56, October Term, 1968, this Court has foreclosed the application of state law contractual estoppel principles to prevent patent licensees or assignors from challenging the validity of licensed or assigned patents. In *Brulotte* v. *Thys Co.*, 379 U.S. 29 (1964), this Court refused to permit application of state law freedom of contract principles to effectively frustrate the federal law which limits the life of a patent.

Precision itself effectively forecloses the use of state law evidentiary requisites to the establishment of perjury, fraud and the like from defeating the federally superior duty of patent applicants to fully advise the Patent Office of *all* relevant facts concerning the equities of their pending patent applications.

And in *Sperry* v. *Florida*, 373 U.S. 379 (1963), this Court held that the prerogative of the states to regulate the practice of law within their boundaries could not be utilized to interfere with the Patent Office prerogative under federal law to license nonlawyers in any state to engage in patent solicitation activities before it.

In conflict with all of this precedent, the Third Circuit decided that attorney-client privilege and work product which are rooted in state law should *not* be displaced by an imperative of federal patent law—the uncompromising duty of full disclosure to the Patent Office of all facts relevant to a pending patent application.

The Third Circuit's denial that the "acceptance of attorney-client privilege and the work product doctrine . . . constitutes an encroachment upon federal patent policies" (*infra*, p. 6a) does not change the *fact* of conflict. Timely

here is this Court's apt observation that "judicial efforts to accommodate the competing demands of the common law of contracts and the federal law of patents" have "been a failure". As in *Lear, supra,* "[r]ather than creative compromise, there has been a chaos of conflicting case law, proceeding on inconsistent premises" (June 16, 1969 Slip Opinion, p. 14).

It would be difficult to find a better example than the situation generated in the federal courts by their application of *Sperry* v. *Florida* to privilege and work product.

C. The Relationship of Privilege and Work Product to Sperry v. Florida

Traditionally, nonlawyers registered to practice before the Patent Office have been refused attorney-client privilege and work product immunities for their patent solicitation activities.[21]

Prior to this Court's decision in *Sperry* v. *Florida, supra,* most of the lower federal courts recognize that the same patent solicitation activities were no more susceptible to privilege and work product immunities when performed by lawyers. Representative cases include *United States* v. *United Shoe Machinery Corp.*, 89 F. Supp. 357 (D. Mass. 1950);[22] *Zenith Radio Corp.* v. *Radio Corporation of*

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[21] *Brungger* v. *Smith*, 49 F. 124 (C.C. D. Mass. 1892); *Joh. A. Benckiser Gm.B.H.* v. *Hygrade Food Products Corp.*, 253 F. Supp. 999 (D. N.J. 1966); see also *Kent Jewelry Corp.* v. *Kieffer* (N.Y. Sup. Ct. 1952), 12 N.Y.S. 2d 113. *Cf. International Minerals & Chemical Corp.* v. *Golding-Keene Co.*, 162 F. Supp. 137, (W.D. N.Y. 1958) permitting privilege and work product immunities when the nonlawyer was working under the direct supervision of a lawyer.

[22] *United Shoe* particularly commented upon corporate patent department employees with legal training and likened them to "the employees with legal training who serve in the mortgage or trust departments of a bank or in the claims department of an insurance company. . . . [T]hey are expected to have at the forefront of their considerations business judgment, corporate policy and technical manufacturing aspects of the shoe machinery industry. . . ." (89 F. Supp. at 360).

In the same decision it was said that these corporate patent lawyer-employees lacked the requisite attorney-client *relationship* to their employer

America, 121 F. Supp. 792 (D.Del. 1954);[23] *Georgia-Pacific Plywood Co.* v. *United States Plywood Corp.*, 18 F.R.D. 463 (S.D.N.Y., 1956); *American Cyanamid Co.* v. *Hercules Powder Co.*, 211 F. Supp. 85 (D.Del. 1962); *Paper Converting Machine Co.* v. *FMC Corporation*, 215 F. Supp. 249 (E.D. Wis. 1963).[24]

In 1963, this Court decided *Sperry* v. *Florida*, *supra*, p. 22, a case which did not involve "application of the work product principle or attorney-client privilege" (*infra*, p. 4a, n. 6). This Court did "not question the determination that under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law. . . . Such conduct inevitably requires the practitioner to consider and advise his clients as to the patentability of their inventions under the statutory criteria. . . . It also involves his participation in the drafting of the specification and

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and were in a position like "that of a lawyer who shares offices with his so-called client and gives him principally business but incidentally legal advice, United States v. Vehicular Parking, D.C. Del., 52 F. Supp. 751, or an attorney who acts principally as accountant and also renders legal advice on the basis of accounting data, In re Fisher, D.C. S.D. N.Y., 51 F. 2d 824, or an attorney who negotiates the business aspects of a real estate transaction, United States v. De Vasto, 2 Cir., 52 F. 2d 26, 30, 78 A.L.R. 336, or an attorney who acts as an investigator for the Federal Bureau of Investigation, O'Neill v. United States, D.C. E.D. Pa., 79 F. Supp. 827, 829" (89 F. Supp. at 361).

[23] Contrary precedent prior to *Sperry* v. *Florida* includes *International Minerals*, *supra*, footnote 21, p. 23, and *Ellis-Foster Co.* v. *Union Carbide & Carbon Corp.*, 159 F. Supp. 917 (D.N.J. 1958), in which lawyers in private practice were accorded such immunities for their patent solicitation activities. In *Ellis-Foster*, the district judge seemed to consider it a reflection on the "status" of the lawyer if privilege were not granted. He found himself "unable to agree with the implied contention that because an attorney happens to be engaged in the field of patents, in which field non-attorneys are authorized to practice, he is *ipso facto* deprived of his status as a lawyer in every activity in which he operates so long as a patent prosecution is involved. There is enough confusion, sometimes thrice confounded, resulting from derogation from the functions of attorneys, and trespass on their proper sphere of activity. . . ." (Emphasis in original: 159 F.Supp. at 920).

[24] *Zenith* said that patent solicitation activities, *ex parte* and *inter partes*, "are not hallmark activities of attorneys. Patent solicitors, agents, and other non-lawyers may practice before the Patent Office. Any citizen although not an attorney may qualify for practice before the Patent Office. . . ." (121 F. Supp. at 794, n.1).

claims of the patent application. . . . And upon rejection of the application, the practitioner may also assist in the preparation of amendments . . . which frequently requires written argument to establish the patentability of the claimed invention under the applicable rules of law and in light of the prior art" (373 U.S. 379, 383).

Almost at once a raging controversy developed in the lower courts with *Sperry* v. *Florida* at its vortex. Patent lawyers, preoccupied—like the district judge in *Ellis-Foster, supra*, note 23, p. 24—with their "status" argued that this Court intended that the lower courts should afford patent solicitation work the full dignity of "the practice of law", including its concomitants of attorney-client privilege and work product immunity.

In *Sperti Products, Inc.* v. *Coca-Cola Company*, 262 F. Supp. 148 (D.Del. 1966) Judge Steel, persuaded by these blandishments, said that *Sperry* v. *Florida's* "plain implication . . . is that Patent Office [solicitation] activities by a person duly qualified to practice in that office, constitutes one type of practicing law" (262 F. Supp. at 151), and that it limits the holding of *Zenith, supra*, that patent solicitation activities "are not hallmark activities of attorneys" to captive corporate employee-attorneys.[25]

He noted that "In Chore-Time Equipment, Inc. v. Big Dutchman, Inc., 255 F. Supp. 1020 (W.D.Mich. 1966)"—a case which adopted verbatim the ruling in *Ellis-Foster, supra*—"communications between an outside patent attorney and his client relating to patent office proceedings were subject to the attorney-client privilege". Judge Steel found "[t]his conclusion, particularly in the light of the

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[25] *Garrison* v. *General Motors Corp.*, 213 F. Supp. 515 (S.D.Cal. 1963), foreshadowed the confusion generated by *Sperry* v. *Florida, supra*. *Garrison* relied upon the decision of the Supreme Court of Florida in *State ex rel. Florida Bar* v. *Sperry*, 140 So. 2d 587 (1962); and a similar holding in *Chicago Bar Association* v. *Kellogg*, 338 Ill. App. 618, 88 N.E. 2d 519, to decide that "the work of patent attorneys generally . . . does constitute practicing law when patent attorneys act as legal advisors and engage primarily in legal activities". (213 F. Supp. at 519). It did not specifically reach, however, the question of whether patent solicitation constituted "legal activities".

views expressed in Sperry v. State of Florida . . . eminently reasonable" and adopted it.

Not so Chief Judge Wright who decided *Minnesota Mining & Mfg. Co.* v. *Gentex Corp.*, 153 USPQ 110 (D.Del. 1967) three months later and did not even mention *Sperry* v. *Florida*. On rehearing in that case at 153 USPQ 334 (D. Del. 1967), after *Sperti, supra*, was specifically called to his attention, he said "Unfortunately Judge Steel's position . . . in Sperti . . . relative to disclosure of communications between a corporation and outside counsel made during the course of the prosecution of a patent application, and mine . . . apparently differ."

In full accord, recognizing that *Sperry* v. *Florida* "does not deal with privilege and does not in any way alter the concept of privilege as applied in discovery situations" is *Channel Master Corp.* v. *RMS Electronics, Inc.*, 159 USPQ 344 (S.D.N.Y. 1965).

Sperry Rand Corp. v. *International Business Machines Corp.*, 45 F.R.D. 287 (D.Del. 1968)—Judge Layton's attempt at resolving the *Sperti-Minnesota Mining* conflict within his own district—adopts *Sperti* (including its construction of *Sperry* v. *Florida*)—to limit *Zenith* to *ex parte* patent solicitation conducted by corporate employee-attorneys. Judge Layton said that *inter partes* (*i.e.*, interference) solicitation activities "are, in my view, the 'hallmark activities of a lawyer'" (45 F.R.D. at 290).

The August 23, 1968 order Judge Layton entered (p. 11 a) in *this* case is, in turn, based on *Sperry Rand*—and as demonstrated, necessarily on Judge Steel's construction of *Sperry* v. *Florida*. The Third Circuit affirmed. While failing to mention either *Sperry* v. *Florida, supra*, or Judge Steel's interpretation of it, the appellate court tacitly adopted the latter to broaden the availability of *both* the attorney-client privilege and work product immunities to encompass the patent solicitation activities of *all* lawyers.[26]

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[26] *Natta* v. *Hogan*, 392 F. 2d 686 (10 Cir. 1968), heavily relied on below for its expressions of philosophy notwithstanding a significant difference

One potentially dangerous consequence of the decision below is that *Sperry* v. *Florida, supra*, will increasingly be used by additional lower federal courts outside the Third Circuit to justify expanding attorney-client privilege and work product immunities for patent solicitation activities. The danger is the more pronounced because the subsisting contrary precedent is all at the district court level.[27]

D. The Work Product Problem

In 1947 this Court, in lieu of promulgating an additional federal civil rule to govern the qualified work product immunity, elected to demonstrate that the existing civil rules were adequate to meet the problem, using *Hickman* v. *Taylor*, 329 U.S. 495 (1947), as the vehicle.[28] In the more than twenty years since the *Hickman* decision it has become clear that the lower federal courts either failed to understand its message or else decided, in "sound judicial discretion", to go their own separate ways.

The Committee on Rules of Practice and Procedure of the Judicial Conference of the United States in its November 30, 1967 proposal[29] states that since 1947 "[s]ufficient experience has accumulated . . . with lower court applications of the *Hickman* decision to warrant a reappraisal" (p. 21). There follows a lengthy recapitulation (pp. 21-26) of the divergent case law developments in the work product doctrine since *Hickman*, eloquently demonstrating that the time is ripe for this Court to look again at the whole problem.

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in the result actually reached insofar as work product is concerned, did not expressly or (apparently) intrinsically posit is conclusions on *Sperry* v. *Florida*—nor did the Oklahoma district court decision upon which it rested, *Hogan* v. *Zletz*, 43 F.R.D. 308 (N.D. Okla. 1967).

[27] *United Shoe, supra*, p. 23; *Georgia-Pacific Plywood, supra*, p. 24; *Paper Converting Machine, supra*, p. 24; *Clevite Corp* v. *Beckman, supra*, p. 20; *Channel Master, supra*, p. 26.

[28] See *United States* v. *Gates*, 35 F.R.D. 524, 527 (D. Colo. 1964).

[29] "Preliminary Draft of Proposed Amendments to Rules of Civil Procedure for the United States District Courts Relating to Depositions and Discovery", November 1967.

The decision below is a particularly good vehicle for such a reappraisal because the Third Circuit's specific application of the work product doctrine to du Pont's withheld documents 1, 3, 6 and 8 is exemplary of the muddle that "sound judicial discretion," unchecked, is all too prone to generate. The decision below is in conflict with other cases involving application of the work product immunity in at least eight respects. *Hickman* figures prominently in five of the eight. Specifically,

(1) In *Hickman, supra,* this Court stated that the subject matter of work product documents "is *not . . . privileged* or irrelevant, *as those concepts are used in these rules* [*i.e.*, Rule 26 and other rules dealing with discovery]" (329 U.S. 495, 509-10). It suggested that work product *might* be protected under *"Rule 30(b),* as *presently written"* (329 U.S. 495, 512). Under *Hickman, supra,* "work product" documents are thus *excluded* from the "not privileged" exception to Rule 34.

In *this* case, to avoid its own final good cause ruling on the first appeal, the Third Circuit said that the four controverted documents—which it suppressed on work product grounds *only*—(*infra*, p. 6a, n. 7) were exempted because "we preserved duPont's claims of *privilege* and did not rule on that contention"[30] (*infra*, pp. 7a-8a).

In further conflict with *Hickman*, the Third Circuit did *not* require du Pont to make its own showing of overriding good cause for *withholding* the documents under Rule 30(b). Instead, the burden of proof was wrongly shifted to petitioner.

(2) The Court used its own circumvention of its prior good cause ruling as a springboard for imposing upon *petitioner* an impossible "burden of proof . . . to furnish adequate reasons from the surrounding circumstances for production of the four documents" (*infra*, p. 7a).

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[30] In his opinion which led to the first appeal, the district judge reserved du Pont's claims of attorney-client privilege—*not* work product. See *supra*, p. 5.

Since the same court had already decided in the first appeal that "good cause" *does exist* for the production of broad subject matter categories of du Pont's documents *embracive* of the four for which it later recognized work product immunity, the burden imposed upon petitioner must contemplate a showing of "circumstances" *beyond* the "good cause" required by Rule 34. The Third Circuit's early decision in *Alltmont* v. *United States*, 177 F.2d 971 (3 Cir. 1950), implies a similar "extraordinary" good cause requirement.

The notion that "extraordinary" good cause must be demonstrated as a prerequisite to production of work product documents has taken firm root in the federal courts. In *Southern Railway Co.* v. *Lanham*, 403 F.2d 119, 126 (1968), the Fifth Circuit said that "it seems . . . clear that the demonstration of 'good cause,' required . . . for the production of materials under Rule 34, need not be as great as the showing of 'necessity or justification' required to overcome the qualified immunity from discovery conferred upon the 'work product of an attorney' under Hickman". See also *Insurance Company of North America* v. *Union Carbide Corp.*, 35 F.R.D. 520 (D.Col. 1964); 2A Barron and Holtzoff, Federal Practice and Procedure, §652.

These authorities seem clearly inconsistent with *Hickman* which teaches that "a burden rests on the one who would invade that privacy [of work product] to establish adequate reasons to justify production through a subpoena or court order. *That burden*, we believe, *is necessarily implicit in the rules as now constituted.*" In a footnote it added "*Rule 34 is explicit in its requirements* that a party show good cause before obtaining a court order directing another party to produce documents" (329 U.S. 495, 512).

Hickman, *supra*, says nothing about a special "good cause" standard for work product documents. It emphasizes instead the applicability only of Rule 34's own mandate.

If there *is* a different "good cause" standard for work product documents it should be elucidated. If there is *not*

—if the rule as announced in *Hickman* is still the law—that fact should be made quite clear. In this aspect particularly a "reappraisal" of the work product rule is warranted.

(3) In *Hickman* this Court recognized that purported work product "might be useful for purposes of impeachment or corroboration" (329 U.S. 495, 511) and that if this were shown it would constitute good cause for production. On the first appeal, the Third Circuit affirmed a district court recognition of the same factor as constituting good cause for production of subject matter categories embracive of documents 1, 3, 6 and 8.

In *Dennis* v. *United States*, 384 U.S. 855 (1966)—quoted and followed in *Natta* v. *Zletz*, 405 F.2d 99 (7 Cir. 1968), as grounds for repudiating *in camera* inspection of alleged trade secret documents—this Court held that it is not

> "... realistic to assume that the trial court's judgment as to the utility of material for impeachment or other legitimate purposes, however conscientiously made, would exhaust the possibilities. In our adversary system, it is enough for judges to judge. The determination of what may be useful to the defense can properly and effectively be made only by an advocate. ..." (384 U.S. 855, 874-5).

Inadequacy of *in camera* inspection as a means of passing on "utility of material for impeachment" is greatly intensified in cases such as this one, arising under 35 U.S.C. 24, where the inspection is made not by the "trial court" (*i.e.*, the Board of Patent Interferences) but by a judge whose knowledge of the frequently complex details of the patent interference proceeding for which the documents are sought is at best sketchy. Moreover, the federal courts in 35 U.S.C. 24 proceedings have no power to make evidentiary rulings which are reserved for the Board of Patent Interferences. *In re Natta*, 388 F.2d 215 (3 Cir. 1968); *Natta* v. *Zletz*, 405 F.2d 99 (7 Cir. 1968).[31]

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[31] Petitioners strongly question whether documents purportedly constituting work product or subject to attorney-client privilege, *should*—at least in such cases—be withheld from opposing counsel. Traditionally, the "privilege" is really against receipt of the documents or their privileged

(4) *Hickman, supra*, recognized that the existence of "relevant and nonprivileged facts . . . hidden in an attorney's file and . . . essential to the preparation of one's case" (329 U.S. 495, 511) is good cause for the production of work product. The Third Circuit in *In re Natta*, 388 F.2d 215, 219 (3 Cir. 1968), took the position for subject matter categories embracive of the four controverted documents "that good cause is shown by the fact that evidence necessary to rebut duPont's case may exist in duPont's files and will remain inaccessible without the aid of a court order."

But in the case below, the same court rejected *that* good cause criterion for some of the same documents because of its conclusion that the documents which petitioner's counsel have never seen "are legal in nature. . . . The references to factual data are in connection with . . . opinions and analyses". It said "the trial court was within its discretion . . . in not requiring production" (*infra*, p. 8a).

(5) Similarly, in *Hickman, supra*, this Court said that "production [of work product] might be justified where the witnesses are no longer available or can be reached only with difficulty" (329 U.S. 495, 511). The Third Circuit, however, said that the death of both the author and addressee of document 1 "does not affect our ruling on the document" because it "is unquestionably the attorney work product of the author and . . . was within the wise discretion of the trial judge whether discovery be had regarding it" (*infra*, p. 9a, n. 8).[32]

(6) In *Natta* v. *Hogan, supra*, the Tenth Circuit recognized the duty of full disclosure to the Patent Office im-

contents in evidence and *not* necessarily against disclosure. In such instances it would seem better that access be granted to counsel on a confidential basis and that "privilege" be treated as an evidentiary admissibility question. *Cf.* the traditional treatment of the husband-wife privilege where the fact that neither may testify against the other does not prevent off-the-record revelations by either.

[32] The holding is contrary to the district court's original holding as to the same author for subject matter categories embracive of the document, affirmed on the first appeal. See p. 12, *supra*, note 8.

posed by *Precision* as *per se* constituting good cause for the production of "work product" relating to research, tests and experiments. See also pp. 20-21, *supra*. The Third Circuit exempted "factual data" set forth "in connection with . . . opinions and analyses" (*infra*, p. 8a).

(7) In *Kearney and Trecker Corp.* v. *Giddings & Lewis, Inc.*, 161 USPQ 700 (E.D. Wis. 1969), a challenge to "the motives of and procedures used by the plaintiff in obtaining the patents in suit" involving, *inter alia*, "the activities of the plaintiff's attorneys, both inside and outside the corporate structure" (161 USPQ at 702) was recognized as providing good cause for production of work product. *Precision* and other cases cited *supra*, pp. 16 to 21, make it clear that the motives of and procedures used by every patent applicant, including the activities of their attorneys, before the Patent Office are *always* in question of, and relevant to the issues of, a patent interference proceeding.

From the Third Circuit's description of the documents as "attorney's analyses or assessments of duPont's position with respect to the various parties in the interference litigation" (p. 8a), they are precisely in point *vis-a-vis* du Pont's motives and procedures in Interference 89, 634.

(8) In *Hickman*, *supra*, the work product claim was by the attorney himself for documents prepared in connection with actual court of record litigation. Both the Third Circuit and the Tenth Circuit in *Natta* v. *Hogan*, *supra*, finding *no express prohibition* against expanding the doctrine to a claim by the client for exemption of documents prepared in connection with an administrative proceeding, simply expanded its scope.[33]

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[33] See also the cases discussed in Section C, *supra*, p. 27. Many of such cases decided prior to *Sperry* v. *Florida*, *supra*, including *United Shoe*, *supra*, and *Zenith*, *supra*, carefully restricted the work product exemption to documents prepared in connection with actual judicial proceedings, prospective or pending. The same cases denied the work product immunity when claimed by corporate "clients" for their own employees engaged in patent solicitation work.

Reappraisal of the work product doctrine as enunciated more than twenty years ago in *Hickman* in a definitive guidelines opinion would be of great benefit to the bench and bar.

CONCLUSION

Petitioner respectfully requests that the writ be granted.

Respectfully submitted,

EDWARD S. IRONS
MARY HELEN SEARS,
Irons, Birch, Swindler & McKie
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036
Attorneys for Petitioner
Montecatini Edison S.p.A.

Opinion of the United States Court of Appeals for the Third Circuit

(Filed April 18, 1969)

By McLAUGHLIN, *Circuit Judge.*

This is a proceeding under 35 U.S.C. § 24 (1952) ancillary to Interference 89634 pending before the Board of Patent Interferences of the United States Patent Office.[1] Appellants, Natta, et al., and their assignee, Montecatini Edison S.p.a. (hereinafter Montecatini) appeal from that part of the final order of the District Court (August 23, 1968) which denies appellants the right to inspect certain documents of appellee, duPont.[2] That order which amended an earlier District Court order (July 3, 1968) stated, in relevant part, "* * * that documents numbered 1, 3, 6 and 8, may be withheld as attorney work product * * *." Montecatini seeks reversal of that finding and production of the said documents.

A brief review of the background of this protracted litigation will be helpful for a clear understanding of the issues before us. Montecatini, senior party in the Interference proceeding, endeavored to obtain discovery of certain of duPont's documents pursuant to Rule 34 of the Federal Rules of Civil Procedure. This Court, in an earlier appeal (In Re Natta, 388 F. 2d 215) held that the discovery standards of the Federal Rules of Civil Procedure were applicable in Patent Office Interference proceedings.[3]

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[1] See our prior opinion in this same case, 388 F. 2d 215, 216 for explanation of a patent interference proceeding.

[2] The question of our jurisdiction under 28 U.S.C. § 1291 has not been raised by the parties on this appeal, although the record indicates there was limited discussion on the point in the trial court. The issue of the appealability of District Court orders in collateral discovery proceedings was raised by Judge Breitenstein sua sponte in Natta v. Hogan, 392 F. 2d 686 (10 Cir., 1968). We agree with his conclusion that orders of the type in question here are final and appealable under 28 U.S.C. § 1291.

[3] The court stated at p. 220:

> "We have examined duPont's claims involving trade secrets, cost of compliance and privilege. In our judgment the Court below adequately considered these issues. Its order properly protects any claims duPont may have in this regard."

That prior appeal as is seen did not reach the question of work product or attorney-client privilege as to the four documents now before us.

The order of the District Court, implementing an earlier opinion of the Court provided inter alia:

> "That as to any claim of privilege or trade secret, all such documents shall be made the subject of an appropriate Motion to be filed with the Court * * *."

DuPont thereafter filed a "List of Documents With Respect to Which the Party Baxter, et al, Asserts a Claim of Privilege." Eleven documents were listed designated by numerals 1 to 11 inclusive accompanied by a brief statement of the nature of the privilege asserted as to each. The controversy was subsequently reduced to the six documents numbered 1, 3, 6, 8, 9 and 10. On July 3, 1968, after inspection of the documents [4] the District Court entered an order which read, in relevant part, as follows:

> "* * * the six documents submitted will be protected from discovery as privileged and so, outside the scope of Rule 34."

After a rehearing and complete review of his ruling regarding the six documents the trial judge entered the amendatory final order of August 23, 1968 which is the subject of this appeal and which reduced the questioned documents to numbers 1, 3, 6 and 8.[5]

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[4] The six documents were submitted to the District Court Judge for "in camera" inspection. The four documents remaining in question on this appeal have been made available to this Court and have been inspected carefully.

[5] Said order of the District Court reads as follows:

> "And Now, to wit, this 23rd day of August, 1968, the party Natta, et al, having moved this Court for the entry of a final judgment pursuant to the terms of Rule 54(b), F.R.C.P., concerning the 35 U.S.C. § 24 proceeding in this Court,
>
> "And It Appearing that on July 3, 1968, this Court directed that six documents numbered 1, 3, 6, 8, 9 and 10, were privileged with the result that the party Baxter, et al., was not required to produce said documents for the inspection of the party Natta, et al.;
>
> "On July 29, 1968, this Court in Sperry Rand v. I.B.M., (Del. Misc. 45), reviewed the entire question of the applicability of the attorney-client privilege and the work product exceptions to the production of documents in connection with Interference proceedings in the Patent Office determining both that the attorney-client privilege and the work product exception could be asserted in a proceeding brought under 35 U.S.C. § 24 and Rule 34 F.R.C.P.;

The general nature of those documents was set forth by duPont's counsel in a letter dated June 18, 1968 addressed to the District Court. That correspondence was at the request of the trial court and was added to the docket for purposes of this appeal by stipulation and order. The express purpose of the correspondence was "to set forth the relevant facts upon which the respective claims of privilege are asserted." It is sufficient to note that documents 1, 3 and 6 are reports from duPont attorneys to duPont management personnel analyzing the nature of the duPont case in Interference 89,634 and evaluating its prospects for success. Document 8, written by a duPont attorney, was addressed to the outside counsel representing duPont in this Interference proceeding. That letter in essence is an analysis of the position of duPont in the pending Interference.

Montecatini, in requesting production of these documents, alleges, inter alia, that:

> "The courts generally have failed to 'mediate between' (1) the paramount public policy considerations peculiar to the field of corporate *patent solicitation* which foreclose the work product and privilege immunities of the type here asserted by duPont and (2) the competing social policies by which those immunities are sometimes justified in ordinary litigation." (Emphasis in original).

Montecatini claims substantially that the paramount federal patent policy of full disclosure precludes use of privilege and work product immunities to deny access to information concerning the solicitation of a party's own patent. That

"And The Court having reviewed its disposition of documents numbered 1, 3, 6, 8, 9 and 10, in the light of its recent decision of July 29, 1968, above referred to, and having determined that documents numbered 9 and 10 are not privileged and should be produced by Baxter;

"And It Appearing that the disposition of these six documents will conclude the proceeding before this Court brought pursuant to 35 U.S.C. § 24 and Rule 34, F.R.C.P., and there being no just reason to delay the entry of a final judgment,

"Ordered:

"That the order of July 3, be and hereby is amended so that documents numbered 1, 3, 6 and 8, may be withheld as attorney work product and that documents numbered 9 and 10 must be produced as sufficient relevance for the purpose of Rule 34 appears in the documents and the claim of trade secret is not well founded."

argument is not premised on a challenge to these immunities in any form in patent proceedings but is concerned only as to the allowance of the attorney-client and work product immunities in connection with the solicitation of a party's own patent. Montecatini argues that the "modern trend of the law rejects unconditionally any idea that material relevant to a pending patent application may be withheld by either the *applicant* or his attorney." (Emphasis in original). We do not think that this constitutes the trend of the recent decisions and deem it unwise to foster such an inflexible, absolute rule in complex patent problems. We fully recognize in such situations the public interest in full disclosure and high standards of candor and good faith expected of all parties. We cannot conclude, however, that the proper application of work product and attorney-client privilege will be detrimental to the public interest or offend paramount federal patent policy whenever a patent solicitation is involved.[6] Our position finds support in the recent opinion in Natta v. Hogan, 392 F.2d 686 (10 Cir. 1968). Specifically we cite with approval the language of Judge Breitenstein therein at pp. 691, 692:

> "Montecatini says that there is no justification for the claim of privilege because of the 'full disclosure' provisions of the patent laws. (footnote omitted). We recognize that in patent proceedings the applicant must observe the highest degree of candor, honesty, and good faith. In our opinion this does not foreclose the assertion of a claim of privilege in a patent proceeding. The attorney-client privilege is designed 'to facilitate the administration of justice', (footnote omitted) in order 'to promote freedom of consultation of legal advisors by clients.' (footnote omitted). We see no reason why this long-established principle should not be applied to patent cases. The public interest is in the development

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[6] Cases cited by appellants in their policy argument are not contrary. For example, Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co., 324 U.S. 806, 89 L.Ed. 1381, 65 S.Ct. 993 (1945) involved collusion among patent applicants to prevent prior art from coming to the attention of the Patent Office. Corning Glass Works v. Anchor Hocking Glass Corp., 253 F. Supp. 461 (D.Del. 1966), reversed 374 F.2d 473 (3 Cir. 1967), a patent infringement case, involved alleged misrepresentations to a patent officer. Neither case involved application of the work product principle or attorney-client privilege.

> of truth, both in patent proceedings and in ordinary litigation. The duty of full disclosure differs from the freedom of consultation with lawyers.
>
> "* * * We agree with Phillips that an automatic waiver of the privilege does not occur when a patent controversy is presented."

Although Judge Breitenstein was referring to attorney-client privilege, we are of the opinion that the same sound reasoning should be adopted with respect to attorney work product doctrine. As early as 1954 in Zenith Radio Corp. v. Radio Corp. of America, 121 F. Supp. 792 (D.Del. 1954) Judge Leahy recognized the need for judicial discretion in this field. Speaking specifically about work product exemption he said at p. 793:

> "Hereinafter, criteria for non-production are established which resolve the greater part of the conflict, but sufficient elasticity has been provided to encompass the exceptional patent department document. With so many documents written under varying circumstances and times, one blanket ruling on their production would unnecessarily risk inaccuracies of generalization."

We have carefully examined appellant's attempts to show the absence of justification for the application of attorney-client privilege and the work product doctrine where patent procurements by corporations are involved. We hold that in a particular situation both attorney-client and work product immunity may be available to the solicitation of a party's own patent. We reject the absolute rule urged by appellant. We deem it wise that flexibility be maintained and that sound judicial discretion be exercised on a case by case basis. The opinion in Hogan v. Zletz, 43 F.R.D. 308, 315 (N.D. Okl. 1967) affirmed in part Natta v. Hogan, supra, is to the point and illustrates our thought:

> "The public interest is not an absolute unyielding mandate, but rather a discretionary function of the Court to be weighed along with other factors in determining the applicability of the privilege and the 'work product' rule."

See also: Sperry-Rand Corp. v. International Business Mach. Corp., 45 F.R.D. 287 (D.Del. 1968); Natta v. Hogan, supra.

Appellant further contends that "Rejection of attorney-client privilege and work product claims for patent solicitation documents follows as a matter of course from routine application of the principle of federal supremacy consistently applied by the Supreme Court in analogous circumstances to preserve the public policy of the patent system from compromise by antithetical state law." That attitude necessarily implies that the acceptance of attorney-client privilege and the work product doctrine in any circumstances constitutes an encroachment upon federal patent policies. We are satisfied that recognition of the attorney-client privilege and the work product doctrine does not compromise the public interest in patent problems. As we have indicated this is an area calling for the exercise of sound judicial discretion with respect to each separate situation that may be advanced.

The District Court order dated August 23, 1968 (set out in full, footnote 5) exempted documents 1, 3, 6 and 8 as "attorney work product."[7] Preliminarily the problem arises whether the work product exemption as set forth by Hickman v. Taylor, 329 U.S. 495, 67 S.Ct. 385, 91 L.Ed. 451 (1947) is available in a patent interference proceeding, which is administrative in nature. Appellant quotes Judge Wright in Minnesota Mining & Mfg. Co. v. Gentex Corp., 153 U.S.P.Q. 110 (D.Del. 1967) at p. 111 as follows: "* * * Attorneys are not giving legal advice when advising their clients about patent matters except insofar as there may be a controversy pending in a court of record * * *." It has been suggested that the work product exception be limited to proceedings in a court of record. In Zenith Radio Corp. v. Radio Corp. of America, supra p. 795, Judge Leahy stated: "Seldom, if ever, are patent department employees engaged in actual preparation for a trial of the required type. Remote possibility of litigation such as surrounds nearly every act of the office attorney is an insufficient showing. Preparations for Patent Office proceedings and interferences do not qualify because of the administrative nature

[7] Our decision concerning these documents will be limited to work product since the final order of the District Court dated August 23, 1968 (set forth in full footnote 5), which is the subject of this appeal, exempted documents 1, 3, 6 and 8 as such. Attorney's work product is separate and distinct from attorney-client privilege. Radiant Burners, Inc. v. American Gas Assn., 320 F. 2d 314 (7 Cir. 1963), cert. denied 375 U.S. 929, 84 S.Ct. 330, 11 L.Ed. 262 (1963).

of the hearings, the qualifications for admission to practice, and the absence of the discovery techniques in the rules of practice." Despite the above language we do not read Hickman v. Taylor, supra, as construing the work product doctrine so tightly as to confine it to proceedings in a court of record. See Natta v. Hogan, supra p. 693. It is now settled that the discovery provisions of the Federal Rules of Civil Procedure are available in Patent Office Interference proceedings. In re Natta, supra. We should note that the documents in this appeal deal with the pending Interference proceeding. Those documents are not the ordinary business records of a corporate legal department but were prepared especially for the said Interference. We conclude that the work product exemption as set out in Hickman may be allowable in an Interference proceeding under these circumstances. We will not limit the authority of the work product doctrine to court of record litigation.

We turn now to the dispute between the parties i.e. whether or not documents 1, 3, 6 and 8 are work product under Hickman v. Taylor, supra. Hickman grants to attorney's work product a qualified immunity from discovery stating p. 511:

> "We do not mean to say that all written materials obtained or prepared by an adversary's counsel with an eye toward litigation are necessarily free from discovery in all cases. Where relevant and non-privileged facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had."

The work product immunity in Hickman is definitely limited since a showing of good cause may justify production of documents which otherwise might be protected as work product. Alltmont v. United States, 177 F. 2d 971 (3 Cir. 1950). The burden of proof is on appellant Montecatini to furnish adequate reasons from the surrounding circumstances for production of the four documents. Appellant initially contends that the finding of "good cause" in our earlier decision (In re Natta, supra) is now res judicata and therefore "prima facie good cause exists for the production of all of the four documents in issue * * *." The answer to this is that by express language (footnote 3) we preserved duPont's claims of privilege and did not rule on

that contention. Said finding of "good cause" is therefore not res judicata with reference to the papers on this appeal. Appellant alleges that "there is no way in which the information contained in these communications can be obtained by Natta except through production here requested." The fundamental conception of what is the fair work product immunity with which we are concerned can be readily ascertained from the Hogan opinion, supra, at p. 693 which reads:

> "We shall not prolong this opinion by any lengthy discussion of contested documents. Many relate to tests and experiments. Phillips has a duty to disclose to the Patent Office all facts relating to the possible equities of the patent application. (footnote omitted). It cannot hide behind the work product doctrine the research, tests, and experiments which are pertinent to the patent application."

From our study of documents 1, 3, 6 and 8 we conclude that they are legal in nature. They consist of attorney's analyses or assessments of duPont's position with respect to the various parties in the interference litigation. These papers are legal opinion. The analyses therein reflect the conclusions of attorneys respecting the materials upon which is founded appellants' Interference proceeding. The fact that they may recite the data upon which the opinion is based does not of itself render them non-legal. There has been no attempt by duPont to shield from discovery "research, tests, and experiments which are pertinent to the patent application." Cf. Natta v. Hogan, supra. The entirely valid rationale behind the work product theory is the prevention of unnecessary interference with the work of an attorney. We see no reason why that rationale should not be at hand in patent suits when, as in this appeal, the documents are fundamentally legal opinions and analyses. The references to factual data are in connection with those opinions and analyses. As said in Natta v. Hogan, supra, p. 693: "An attorney's work in the patent law field should be as much his own as it is in other areas of the law." Since, as we view them, the documents are the reflection of attorneys' professional conclusions from the information upon which this Interference proceeding relies we must agree with appellee's position that the trial court was within its discretion under these circumstances in not requiring production of the

documents.[8] Implicit in our finding is a rejection of Montecatini's assertion that the policy considerations peculiar to the federal patent laws in every instance call for the production of the kind of documents we have in this appeal even though they may be genuine attorney work product.

Appellant seems to suggest that the application of the work product doctrine should be held to handwritten notes prepared for the private use of an attorney. It urges that the documents in this appeal "are in the nature of letters allegedly prepared by a duPont attorney as a report to another duPont employee or, as in the case of document 8, to outside counsel." The language of Hickman v. Taylor, supra at p. 511, bars this worm's eye conception of the work product doctrine.

> "This work is reflected, of course, in interviews, statements, *memoranda, correspondence*, briefs, mental impressions, personal beliefs, and countless other tangible and intangible ways—aptly though roughly termed by the Circuit Court of Appeals in this case as the 'Work product of the lawyer'. Were such materials open to opposing counsel on mere demand, much of what is now put down in writing would remain unwritten." (Emphasis supplied).

Finally, Montecatini would have it that duPont "has failed to discharge its burden to establish the factual prerequisites to the rights of exclusion it demands." Appellant concedes that the authors of documents 1, 3 and 8 were at all relevant times attorneys and employees of duPont engaged in the business of patent solicitation on behalf of duPont. It does not make a similar concession about the author of document 6. The status of the authors of these documents was explained in the letter of June 18, 1968. This manner of identification was directed by the District Court judge at a hearing which Montecatini's counsel attended and made no objection. As mentioned heretofore the said letter, by stipulation and order of the court, was added as a docket

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[8] Appellant in its brief states that apparently the author of document 1 and the duPont addressee thereof have died in the course of this litigation. That information if correct does not affect our ruling on the document. The latter is unquestionably the attorney work product of the author and under the facts before us it was within the wise discretion of the trial judge whether discovery be had regarding it.

entry for purposes of this appeal. Under these circumstances the identification of the authors of the documents before us adequately establishes the factual prerequisite to a claim of work product.

The order of the District Court dated August 23, 1968 will be affirmed.

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

Order of the United States District Court for the District of Delaware entered August 23, 1968

And Now, to wit, this 23rd day of August, 1968, the party Natta, et al., having moved this Court for the entry of a final judgment pursuant to the terms of Rule 54(b), F.R.C.P., concerning the 35 U.S.C. §24 proceeding in this Court,

And It Appearing that on July 3, 1968, this Court directed that six documents numbered 1, 3, 6, 8, 9 and 10, were privileged with the result that the party Natta, et al., was not required to produce said documents for the inspection of the party Baxter, et al.;

On July 29, 1968, this Court in Sperry Rand v. I.B.M., (Del., Misc. 45), reviewed the entire question of the applicability of the attorney-client privilege and the work product exceptions to the production of documents in connection with Interference proceedings in the Patent Office determining both that the attorney-client privilege and the work product exception could be asserted in a proceeding brought under 35 U.S.C. §24 and Rule 34 F.R.C.P.;

And The Court having reviewed its disposition of documents numbered 1, 3, 6, 8, 9 and 10, in the light of its recent decision of July 29, 1968, above referred to, and having determined that documents numbered 9 and 10 are not privileged and should be produced [to] Natta:

And it Appearing that the disposition of these six documents will conclude the proceeding before this Court brought pursuant to 35 U.S.C. §24 and Rule 34, F.R.C.P., and there being no just reason to delay the entry of a final judgment,

Ordered:

That the order of July 3, be and hereby is amended so that documents numbered 1, 3, 6 and 8, may be withheld as attorney work product, and that documents numbered 9 and 10 must be produced as sufficient relevance for the purposes of Rule 34 appears in the documents and the claim of trade secret is not well founded.

Caleb R. Layton

J.

SUPREME COURT, U. S.
AUG 11 1969
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1969.

No. 322.

MONTECATINI EDISON, S.p.A.,
Petitioner,

v.

E. I. duPONT de NEMOURS & COMPANY,
Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI.

JAMES M. TUNNELL, JR.,
DAVID A. DREXLER,
MORRIS, NICHOLS, ARSHT & TUNNELL,
3000 DuPont Building,
Wilmington, Delaware 19801,
Attorneys for Respondent.

Of Counsel:
LOUIS F. REED,
FISH, RICHARDSON & NEAVE,
277 Park Avenue,
New York, New York,
ROGER A. HINES,
E. I. DUPONT DE NEMOURS & COMPANY,
12026 DuPont Building,
Wilmington, Delaware 19801.

International, 711 So. 50th St., Phila., Pa. 19143—Tel. SA 7-8711 Area Code 215

IN THE

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BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI.

Petitioner (hereinafter "Montecatini"), a party to an adversary litigation, seeks to obtain and exploit four (4) analyses of the matters in litigation prepared by its opponent's attorneys for the eyes of their client's management and co-counsel. Despite Montecatini's effort to pose as a public benefactor, its application is in reality a demand for the absolute abolishment of the doctrine of attorney's work product immunity, as developed and refined in *Hickman v. Taylor*, 329 U. S. 495 (1947) and subsequent lower court decisions.

The petition presents no real conflict among the courts of appeal or with the decisions of this court. It presents no significant question of federal law which should be decided by this court. It deals with a controversy about the

production of four documents written by lawyers in the course of actual litigation. We submit that this petition should be denied.

A. The Nature of the Proceeding.

This petition arises out of an interference proceeding, a quasi-judicial trial before the Board of Patent Interferences, an administrative panel of the U. S. Patent Office. The procedure is authorized by 35 U. S. C. § 135 and is conducted under Patent Office Rules 37 C. F. R. §§ 1.201 *et seq.* Its purpose is to determine which of two or more applicants for the same patent—here Montecatini and, among others, respondent E. I. DuPont de Nemours & Co. ("DuPont")—was the first inventor and hence entitled to the patent. While the initial filing and processing of patent applications is done upon an *ex parte* basis (37 C. F. R. §§ 1.1-1.199), once an interference is declared, all *ex parte* prosecution is suspended (37 C. F. R. § 1.212) and the proceeding is then conducted upon an adversary basis, much in the manner of a conventional trial, including examination and cross-examination of witnesses under oath (37 C. F. R. §§ 1.251 *et seq.*, 1.271 *et seq.*). The Board's determination is founded upon the evidentiary record thus made. Appeals can be taken either in the U. S. Court of Customs and Patent Appeals (35 U. S. C. § 141) or in a U. S. district court (35 U. S. C. § 146).

The Patent Office Rules make no provision for discovery. However, Montecatini in the earlier stages of this case persuaded the Courts of Appeals for the Third Circuit (*In re Natta*, 388 F. 2d 215 (3rd Cir. 1968) (Judge Seitz dissenting)), Tenth Circuit (*Natta v. Hogan*, 392 F. 2d 686 (10th Cir. 1968)), and Seventh Circuit (*Natta v. Zletz*, 379 F. 2d 615 (7th Cir. 1967)) that Congress, by enacting 35 U. S. C. § 24, intended the discovery rules of the Federal

Rules of Civil Procedure to be applicable to interference proceedings under the supervision of the U. S. district courts. The present petition arises out of a ruling by the U. S. District Court for Delaware upon Montecatini's discovery application which held that DuPont was entitled to withhold, on grounds of attorney-work product immunity, four documents out of nearly 10,000 which were the subject of Montecatini's demand. The ruling was affirmed by the Third Circuit Court of Appeals.

B. The Nature of the Disputed Documents.

The interference in issue concerns patent applications for a plastic material called polypropylene which were filed by the parties at various times during the period 1954-6. The interference was declared September 9, 1958. The four documents in question were written by attorneys and are dated, respectively, January 15, 1959, April 20, 1959, June 14, 1961 and February 19, 1965. They were described by Circuit Judge McLaughlin, after an *in camera* inspection,[1] as follows:

> ". . . It is sufficient to note that documents 1, 3 and 6 are reports from DuPont attorneys to DuPont management personnel analyzing the nature of the DuPont case in Interference 89,634 and evaluating its prospects for success. Document 8, written by a DuPont attorney, was addressed to the outside counsel representing DuPont in this Interference proceeding. That letter in essence is an analysis of the position of DuPont in the pending interference." (Appendix to Petition, 3a)

Moreover, the record affirmatively discloses that all of the documentation and witnesses' knowledge underlying these

1. The four documents in issue are on file in this Court under seal. (See District Court Docket Entry 71).

legal opinions were furnished to Montecatini, either as part of DuPont's evidence in the interference or pursuant to the production ordered by the district court.[2]

The present case is an even more extreme attempt to rummage through an opponent's files than was before the court in *Hickman v. Taylor, supra.* What was denied to movant in *Hickman* were attorneys' notes of witness interviews conducted shortly after the events in suit with a view to *possible* litigation; what Montecatini here seeks are the legal analyses by opposing counsel of the very issues in *actual* litigation between the parties, analyses first developed *after* the litigation had commenced. Thus, unless *Hickman v. Taylor* be utterly discarded, the decision below seems *a fortiori* correct.

C. The Failure of Montecatini's Petition to Distinguish Between Ex Parte Patent Solicitation and Adversary Interference Litigation.

Montecatini, to avoid the appearance of a direct assault upon the concept of work product immunity, attempts to develop a special basis for its abrogation in the patent field. It urges that doctrines of privilege and immunity available

2. The Montecatini motion for discovery was first presented at a stage of the interference proceeding subsequent to the presentation of DuPont's case-in-chief. During that presentation DuPont had made available its witnesses for cross-examination and introduced 65 documentary exhibits in support of its case; in addition 18 cross-exhibits were introduced from DuPont's file by the opposing parties (See District Court Docket Entries 10-19).

After the Third Circuit ruled upon interlocutory appeal (*In re Natta*, 388 F. 2d 315 (3rd Cir., 1968)) that discovery was appropriate in patent interferences, DuPont produced 9573 pages of documents within the 31 broadly stated categories demanded by Montecatini in its motion (See District Court Docket Entry 1). DuPont asserted no claim of privilege or immunity with respect to any relevant patent application, even where prepared by an attorney, or to any of the documents underlying an application, or with respect to any document created for actual use in the interference.

to litigants in other fields of law cannot stand against the peculiar duty of candor and full disclosure owed in "patent solicitation" matters. This argument was rejected by both the Third Circuit Court of Appeals herein and the Tenth Circuit Court of Appeals in the earlier companion case of *Natta v. Hogan*, 392 F. 2d 686 (10th Cir. 1968). In the latter case, Judge Breitenstein stated, in language specifically adopted by the Third Circuit as applicable to principles of work product immunity as well:

> "Montecatini says that there is no justification for the claim of privilege because of the 'full disclosure' provisions of the patent laws (footnote omitted). We recognize that in the patent proceedings the applicant must observe the highest degree of candor, honesty, and good faith. In our opinion this does not foreclose the assertion of a claim of privilege in a patent proceeding. The attorney-client privilege is designed 'to facilitate the administration of justice' (footnote omitted), in order 'to promote freedom of consultation of legal advisors by clients' (footnote omitted). We see no reason why this long-established principle should not be applied to patent cases. The public interest is in the development of truth, both in patent proceedings and in ordinary litigation. The duty of full disclosure differs from the freedom of consultation with lawyers.
>
> "* * * We agree with Phillips that an automatic waiver of the privilege does not occur when a patent controversy is presented."

We respectfully submit that this statement constitutes the complete answer to Montecatini's contentions which needs no further elucidation from this Court.

Montecatini's argument ignores the fact that patent solicitation involves two distinct types of proceedings: the

ex parte prosecution of patent applications and *inter partes*, adversary interference litigation. The authorities which Montecatini offers as establishing the duty of candor and honesty owing to the Patent Office arose in the *ex parte* context and reflect a recognition that one who seeks a valuable franchise from the government (*i.e.* a patent) owes to it something in the nature of a fiduciary's obligation of fair dealing. One may fully agree with this principle without yielding to the corollary urged by Montecatini, *viz.*, that one side to adversary patent litigation is entitled, in the pursuit of private advantage, to unlimited access to the work product of its opponent's attorneys. By analogy, one may agree that a trustee owes a fiduciary's obligation to his *cestuis* without being required to concede that privilege and immunity are unavailable to the trustee in litigation involving the trust.

Thus Montecatini must urge the complete abolishment of the doctrine of attorney work product immunity. It suggests no reason, nor could it, why a party to adversary litigation before the Patent Office is any the less entitled to the benefits of privilege and immunity than private litigants before any other governmental body or before any court of justice. If privilege and immunity be abolished in adversary patent litigation, logic compels the conclusion that these rights be abolished in *all* litigation. The subject matter of a dispute or the tribunal can hardly be determinative of whether more or less "disclosure" is required to promote the ends of justice and equity.

The answer to Montecatini's broadside challenge to privilege and immunity was given by each of the two Circuit Courts of Appeal in which Montecatini has made its contentions, and was given by this Court 22 years ago in *Hickman v. Taylor*, *supra*. It is that immunity and privilege, like discovery itself, serve, rather than conflict with, the ends of justice.

As Mr. Justice Murphy there recognized, where conflicting rights exist, there should be no absolute rule abolishing one right or the other, but rather there should be a balancing of the conflicting considerations in each instance through the sound exercise of judicial discretion. This policy has been enunciated time and again by this court and by the lower federal courts, including the Third Circuit Court of Appeals. *It is the policy which was applied in this case.*

D. Further Delay of Resolution of a More Than 15-Year Old Dispute Is Unwarranted.

As noted, the patent applications of this interference were filed in 1954 and 1955. Yet, in 1969, more than *fifteen* years later, no patent has been issued, nor is the issuance of one yet in sight. More delay engendered by an essentially frivolous petition seems wholly undesirable.

If Montecatini had followed the initial schedule set out by the Patent Office, its evidence upon the substantive issues of the interference would have had to have been completed by July 29, 1966. Instead, by filing on June 30, 1966, three motions for broad discovery from its opponents, and thereafter pursuing the denial of even the most trivial aspects of its applications to the highest tribunals,[3] it has succeeded in deferring for more than three years the necessity to present its case. The granting of this petition would postpone

3. This petition is Montecatini's second to this Court arising out of this polypropylene interference. On May 2, 1969, Montecatini petitioned from a decision of the Seventh Circuit Court of Appeals dated March 10, 1969 which held that the District Judge had properly construed an earlier mandate of the Seventh Circuit in the Rule 34 motion brought by Montecatini against Standard Oil Company (Indiana), another party to the instant interference. In effect, Montecatini proposed to have this Court explain to the Seventh Circuit what the latter court had really said in its earlier decision. The petition was denied May 19, 1969. (*Natta v. Standard Oil Company of Indiana*, No. 1346, October Term, 1968).

further the presentation of the Montecatini evidence before the Patent Office and the ultimate issuance of a patent on polypropylene, postponements which, one might legitimately infer from its extensive record of litigation, Montecatini is not averse to fostering.

CONCLUSION.

Respondent respectfully requests that the Petition for a Writ of Certiorari be denied.

JAMES M. TUNNELL, JR.,
DAVID A. DREXLER,
MORRIS, NICHOLS, ARSHT
& TUNNELL,
3000 DuPont Building,
Wilmington, Delaware 19801,
Attorneys for Respondent.

Of Counsel:
LOUIS F. REED,
FISH, RICHARDSON & NEAVE,
277 Park Avenue,
New York, New York,

ROGER A. HINES,
E. I. DUPONT DE NEMOURS & COMPANY,
12026 DuPont Building,
Wilmington, Delaware 19801.

IPREME COURT, U. S.

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IN THE

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OCTOBER TERM, 1969

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MONTECATINI EDISON S.p.a., *Petitioner,*

v.

E. I. DU PONT DE NEMOURS & COMPANY, *Respondent.*

REPLY MEMORANDUM IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

MARY HELEN SEARS
1000 Connecticut Avenue, N.W.
Washington, D. C. 20036
Attorney for Petitioner
Montecatini Edison S.p.a.

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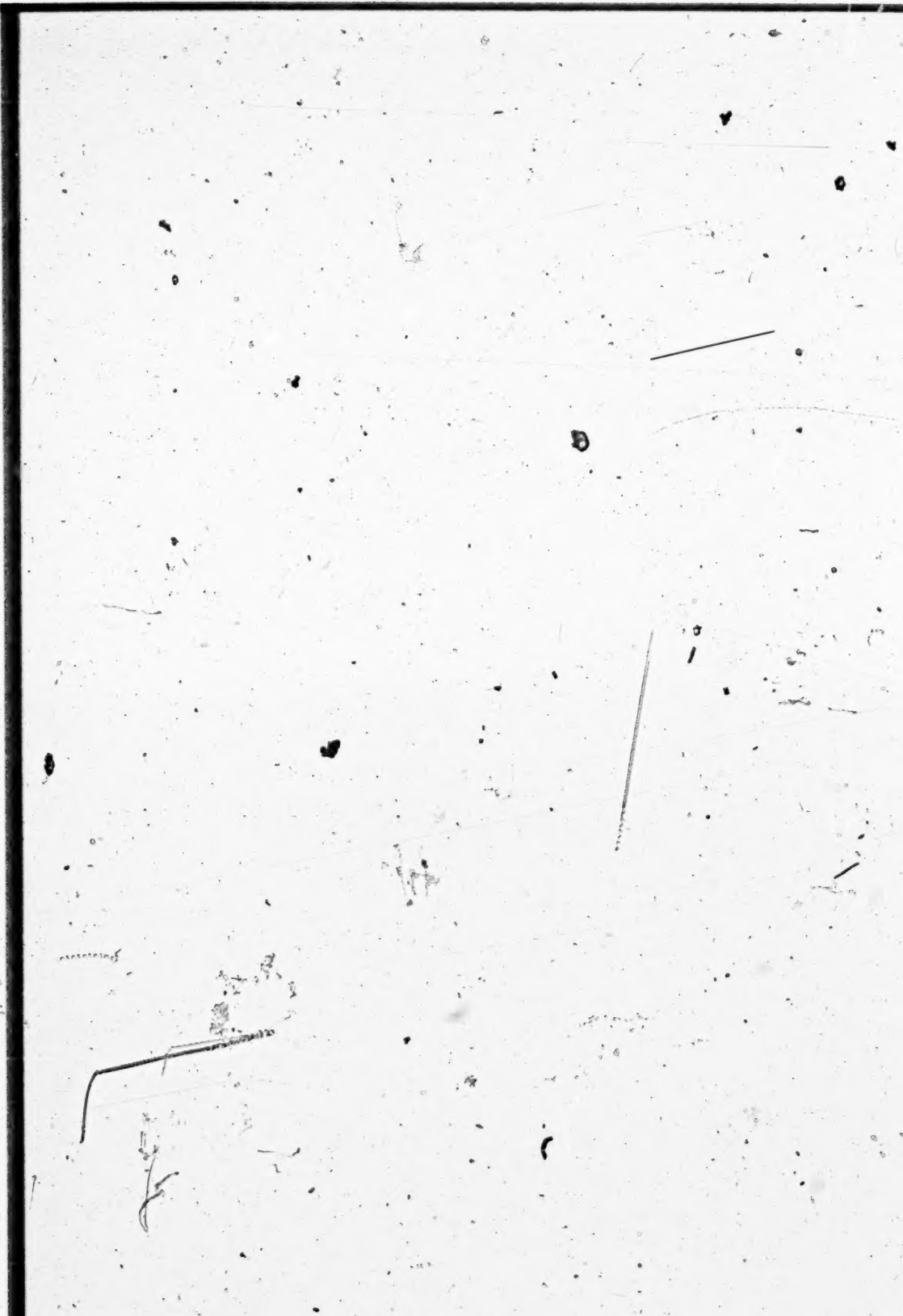

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REPLY MEMORANDUM IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

In the opposition to the petition for writ of certiorari, respondent du Pont advances a plurality of arguments which, when realistically viewed in the context of the applicable law, effectively demonstrate the need for this Court's review of the questions raised in the petition.

A. THE DUTY OF FULL DISCLOSURE OF ALL RELEVANT FACTS OWED TO THE PATENT OFFICE THROUGHOUT EVERY PHASE OF PATENT SOLICITATION

Respondent du Pont—admittedly an applicant for a "patent on polypropylene" (R.Br. 8)*—opposes review of the decision below on the ground of a tenuous "distinction" *not recognized in the court below* between *ex parte* and *inter partes* patent solicitation. Respondent *admits* and professes to "fully agree" (R.Br. 6) that, for *ex parte* patent prosecution *only*, "one who seeks a valuable franchise from the government (*i.e.* a patent) owes to it something in the nature of a fiduciary's obligation of fair dealing"—to wit, a "duty of candor and honesty . . . to the Patent Office" (R.Br. 6). Respondent, in derogation of the decision below, the controlling rules and statutes and all applicable precedent,[1] opts for a *different* rule in *inter partes* patent solicitation (*i.e.*, patent interference proceedings). It seeks to justify itself by arbitrarily dubbing interferences as "adversary litigation" (R.Br. 1; see also R.Br. 4-7).[2]

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* As used herein "R. Br." refers to respondent du Pont's "Brief in Opposition to Petition for a Writ of Certiorari"; "Pet." refers to the petition and the symbols "A", "N.Br.", "D.Br." and "N.R.Br." have the same significance as in the petition.

Unless otherwise stated, all emphasis herein is added emphasis.

[1] Respondent is *wrong* that "The authorities which Montecatini offers as establishing the duty of candor and honesty owing to the Patent Office arose in the *ex parte* context" (R.Br. 6). See *infra*, Section A3, p. 8.

[2] From this unsteady footing, du Pont leaps even more precariously to a *prima facie* unsupportable conclusion (Sec. B, *infra*, p. 13) that petitioner seeks "absolute abolishment of the doctrine of attorney's work product immunity" (R.Br. 1; see also R.Br. 6-7).

1. The Decision Below Makes No Distinction Between Ex Parte and Inter Partes Patent Solicitation

Respondent's present arguments constitute a belated effort to defend the rationale by which Judge Layton of the Delaware district court sought, in *Sperry Rand Corp.* v. *International Business Machines Corp.*, 45 F.R.D. 287 (D. Del. 1968), to resolve a conflict in decision within his own district between Judge Steel's decision in *Sperti Products, Inc.* v. *Coca-Cola Co.*, 262 F. Supp. 148 (1966), and Chief Judge Wright's decision in *Minnesota Mining & Mfg. Co.* v. *Gentex Corp.*, 153 USPQ 110 (1967), *reargument denied*, 153 USPQ 334 (1967). See Pet. 23-27. Judge Layton followed his own *Sperry Rand* decision in his August 23, 1968 order (Pet. 11a) in this case.

Before the court below, petitioner argued the tenuousness of Judge Layton's posited distinction between *ex parte* patent solicitation and *inter parties* (*i.e.*, interference) patent solicitation as set forth in *Sperry Rand* (N.Br. 33-40; see also N.R.Br. 2-4). Petitioner's position was that *no* immunities should be recognized for *any* form of patent solicitation. Du Pont did not effectively disagree with our premise that all patent solicitation should be treated alike. It contented itself solely with the oblique statement that "It is significant that . . . *Natta* v. *Hogan* [392 F.2d 686 (10 Cir. 1968)] and *Sperry Rand* v. *I.B.M.*, were each decided in the direct context of a patent interference" (D.Br. 16).

The Third Circuit agreed with us that there could be no distinction between kinds of patent solicitation, but concluded that attorney-client and work product immunities should be available for *all* patent solicitation. The Third Circuit explicitly stated:

> ". . . We cannot conclude . . . that the proper application of work product and attorney-client privi-

> lege will be detrimental to the public interest or offend paramount federal patent policy whenever a patent solicitation is involved. * * * We hold that in a particular situation both attorney-client and work product immunity may be available to the solicitation of a party's own patent. . . ." (Pet. 4a-5a)

The Tenth Circuit decision in *Natta* v. *Hogan*, 392 F.2d 686, upon which the decision below importantly rests, affirmatively afforded these immunities to all "patent proceedings", including *ex parte* patent solicitation. In particular, it affirmed the trial court holding of attorney-client privilege for documents numbered 2, 9, 10 and 12. The district court opinion *sub nom. Hogan* v. *Zletz*, 43 F.R.D. 308, 316-317 (N.D. Okla. 1967), shows that documents 2, 9 and 10 dated March 22, 1954, January 5, 1956 and January 6, 1956, respectively, were prepared well before the admitted September 9, 1958 declaration date of Interference 89,634 (R.Br. 3). Since all of these three obviously relate to *ex parte* patent solicitation—there being no interference in existence at their date—*Natta* v. *Hogan* stands as express precedent for the proposition that *ex parte* patent solicitation activities are subject to privilege and work product immunities. It was *followed* below.

These Third and Tenth Circuit decisions have already led to a recognition of attorney-client and work product immunities for documents relating to the *ex parte* solicitation of a patent application in two different district court proceedings.

In one of these, a 35 U.S.C. 24 proceeding allegedly ancillary to Interference 89,634 instituted by du Pont against petitioner in the District Court for the District

of Delaware, the Special Master's report indicates that "approximately 14,200" pages of documents (1b, *infra*) were reviewed for immunity claims. The Special Master rejected du Pont's arguments concerning a "distinction between *ex parte* and *inter partes* patent solicitation". He said "I find no such distinction in the Court of Appeals' opinion" (2b, *infra*).[3]

In the other proceeding, also ancillary to Interference 89,634, Civil Action No. 66 C 1221 in the District Court for the Northern District of Illinois, Judge James B. Parsons relied on the Tenth Circuit decision in *Natta* v. *Hogan* and the decision below to find "lawyer-client privilege" for an unadumbrated mass of documents, including "sixty volumes of notes" (2b, *infra*.)[4]

These two pending cases demonstrate the magnitude of the difficulties posed by the decision below. These difficulties are not, as du Pont would have it, limited to the four documents presently in issue in this case. See, *infra*, Section A4, p. 10.

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[3] The Special Master's report has not yet been approved by the district judge and is subject to review in the court below. It nonetheless cogently illustrates the construction which lower federal courts and lawyers alike will place upon the plain language of the decision below, absent intervention by this Court.

[4] Civil Action No. 66 C 1221 is the case which spawned *Natta* v. *Standard Oil Company of Indiana*, No. 1346, October Term, 1968, referred to at R.Br. 7, n. 3. The petition in that case (6a-22a) reproduced the list of disputed documents submitted by Standard Oil up to its date. As noted in the petitioner's reply brief filed May 9, 1969, that list was later "supplemented by a 'category 4', including innumerable additional pages of withheld material" (p. 1, n.2).

2. The Applicable Rules and Statutes Do Not Recognize Respondent's Suggested Distinction Between Ex Parte and Inter Partes Patent Solicitation

35 U.S.C. 135 pertaining to "Interferences" is embraced with a group of sections of Title 35 of the United States Code under the heading "Chapter 12.—*Examination of Application*". Thus, even the statute itself recognizes that patent interferences are just one possible step in the solicitation of a patent enforceable against the public.

Du Pont's effort to remove interferences from the realm of patent solicitation by virtue of their *inter partes* character is all the more tenuous when the apposite Patent Office rules governing the proceedings *subsequent* to interference are considered. Respondent *emphasizes* that "once an interference is declared, all *ex parte* prosecution is suspended (37 C.F.R. § 1.212) and the proceeding is then conducted upon an adversary basis . . . . " (R.Br. 2), but *ignores* 37 C.F.R. 1.265 and 1.266 relating respectively to "Status of Claims of Defeated Applicant After Interference" and "Action After Interference".

37 C.F.R. 1.266(b) in particular specifies that

> "After judgment of priority, the application of any party [to an interference] may be held subject to *further* [*ex parte*] *examination, including interference* with other applications."

Thus in one stroke 37 C.F.R. 1.266(b) demonstrates that an "interference" *is a part of the solicitation of a patent application* and demolishes respondent's argument that a "duty of candor and honesty owing to the Patent Office" (R.Br. 6) is or could be restricted to *ex parte* patent prosecution.

Respondent's argument effectively would have this duty operate during "the initial filing and processing of patent applications . . . upon an *ex parte* basis . . ." (R.Br. 2), but cease during an interference "conducted upon an adversary basis" (R.Br. 2) and—presumably—resume after termination of the interference. *If* du Pont were right, a patent applicant whose application became involved in an interference would owe the Patent Office "the duty of candor and honesty" *before* and *after* the interference, but could with impunity act untruthfully or dishonestly during the interference itself. Under such mode of operation, he might conceal from his opponent in the interference facts sufficiently adverse to deprive him of priority—and having thus unfairly eliminated the opponent, would then be relegated to further *ex parte* prosecution wherein he would be obliged to confess the deficiencies of his case, including his perfidy during the interference, to the Patent Office. Obviously, du Pont is wrong. The interference opponent, as a member of the public exceptionally well qualified to assist the Patent Office in assessing the relevant facts, *must* be entitled to their full revelation just like the Office itself. See note 5, *infra*, p. 8.

Du Pont's arguments are not only wholly illogical, but in the teeth of "The authorities which Montecatini offers as establishing the duty of candor and honesty owing to the Patent Office" (R.Br. 6). These authorities, contrary to du Pont's *ipse dixit*, *did not at all* arise solely "in the *ex parte* context" (R.Br. 6).

3. The Duty of Full Disclosure to the Patent Office Has Always Had Both Ex Parte and Inter Partes Implications

In *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945), this Court found both parties to patent infringement litigation guilty of fraud on the Patent Office and unclean hands, based upon the prior conduct of both in a *patent interference proceeding* which preceded the issuance of the patents in litigation. During the *interference* both had "knowledge or reasonable belief" of a perjury committed by one Larson, "not revealed to [and hence deliberately suppressed from] the Patent Office". In lieu of exposing the perjury, Larson's opponent Automotive "chose to enter into an outside settlement [of the interference] with . . . Precision . . . whereby Larson conceded priority" (324 U.S. at 819).[5]

Charles Pfizer & Co. v. *Federal Trade Commission*, 401 F.2d 574 (6 Cir. 1968), *cert. denied*, 394 U.S. 920 (1969), cited at Pet. 18, involved inequitable and

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[5] In *United States* v. *Singer Mfg. Co.*, 374 U.S. 174 (1963), this Court condemned a similar collusive interference settlement involving a joint effort to suppress prior art from the Patent Office as constituting one step in a civil antitrust violation. As Mr. Justice White, concurring, observed, "Whatever may be the duty of a single party to draw the prior art to the Office's attention . . . clearly collusion among applicants to prevent prior art from coming to or being drawn to the Office's attention is an inequitable imposition on the Office and on the public [citing *Precision*]. . . ." (374 U.S. at 200)

Manifestly, unilateral suppression of relevant facts by one party to a patent interference (whether or not involving prior art) is just as much "an inequitable imposition on the Office and on the public" as "collusion among applicants" to suppress relevant information. See the cases discussed at Pet. 16-21. Each of the opposing parties in an interference is *himself* a member of the "public", entitled to strict enforcement of the uncompromising duty of full disclosure of all relevant facts to the Patent Office.

fraudulent patent solicitation by Pfizer in collusion with American Cyanamid Company throughout the course of two *interferences* and various interspersed sequences of *ex parte* prosecution. The decision makes no distinction between the duty owed to the Patent Office during *ex parte* solicitation and that due in *inter partes* (interference) solicitation.

Of the seven reported cases (Pet. 20, n. 20) in which the Commissioner of Patents has actually stricken a patent application from the Patent Office files, one—*Ex parte Mallard,* 71 USPQ 294 (Com'r Pats. 1946)—involved an effort in the course of an interference "to defraud both the Patent Office and the court" by advancing falsified testimony and exhibits "to obtain the allowance of the claim . . . which was involved in interference" (71 USPQ at 295). The Commissioner held "the duty of candor and honesty owing to the Patent Office" (R.Br. 6) had been violated. He said that "fraud in the procurement of any claim of a patent is sufficient to vitiate the entire patent. . . . [I]f Mallard had prevailed in the interference and obtained a patent containing the claim there involved, as well as other claims, and if the fraud had then been discovered, the entire patent would have been rendered void. * * * One who, instead of complying with the requirements of the statutes and of the rules of the Patent Office made pursuant thereto, attempts to evade them by fraudulent means, must be held to have forfeited his right to a patent on the application involved in the fraudulent proceeding." (71 USPQ at 296-297)

4. The Number, Nature and Content of du Pont's Withheld Documents Is Not Relevant Here

Du Pont's protestations that we are attempting "to obtain and exploit four (4) analyses of the matters in litigation prepared by . . . attorneys for the eyes of their client's management and co-counsel" (R.Br. 1) are *not relevant* to the issue of whether review should be granted. In *Mallard, supra,* the attempt to defraud both the Patent Office and the court involved *just four* documents—three fraudulently altered after preparation and one about which false testimony was given. See *Mallard* v. *Kitto,* 69 USPQ 568 (N.D. Ill. 1946), the R.S. 4915 proceeding which precipitated the Commissioner's *Mallard* decision; especially fact findings 15 and 16.[6]

Manifestly, *even one* really important document may be the basis for winning or losing an entire case. The pending Delaware and Illinois proceedings discussed *supra,* pp. 4-5, illustrate that the problems posed by the petition far transcend du Pont's four documents in any event.

Precision, Pfizer, Kingsland v. *Horsey,* 338 U.S. 318 (1949) (Pet. 18), and the cases cited at Pet. 18, n. 18, are careful *not* to exempt so-called "privileged" information from the scope of the duty of full disclosure owing to the Patent Office. At Pet. 21-23 we have shown that the Third Circuit's imputation into these cases of an *unexpressed* exception for state law-based immunity concepts is in conflict with this Court's decisions establishing the federal supremacy of the patent laws. On this basis, the nature and content of du

[6] R.S. 4915 is the predecessor statute to 35 U.S.C. 146 providing for review of interference decisions by equity courts.

Pont's documents is of no moment to the need for review.[7]

5. The Real Reason Why du Pont Wants the Decision Below Left Unreviewed

By positing its opposition to review upon a rationale not accepted in the court below, du Pont tacitly concedes that both the Third Circuit in this case and the Tenth Circuit in *Natta* v. *Hogan, supra,* were wrong in concluding that privilege and work product immunities are available in *ex parte* patent solicitation. Necessarily, it is thereby conceded that the Third and Tenth Circuits have placed themselves in direct conflict with "The authorities which Montecatini offers as establishing the duty of candor and honesty owing to the Patent Office" (R.Br. 6).

Du Pont nonetheless wants to avoid review and have these *admittedly* at least partially incorrect appellate decisions stand because, as the world's largest chemical company and the owner of countless patents, it

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[7] Du Pont says that "the record affirmatively discloses that all of the documentation and witnesses' knowledge underlying these [controverted four] legal opinions were furnished to Montecatini" (R.Br. 3-4), but as we stated in the petition, du Pont has offered no proof to this effect (Pet. 12). We have had no opportunity to check its accuracy for ourselves, having been foreclosed access to the disputed documents (A74-75). The Third Circuit's overgenerous conclusion of "no attempt by du Pont to shield from discovery" "pertinent research, tests and experiments" (Pet. 12), was reached absent explicit factual information on the point and with no assurance that the "data" concededly contained in the disputed documents was *ever* furnished to petitioner.

The record being devoid of any proof on this point, du Pont cannot exploit its own self-serving version of facts that are at best peripheral to the issues posed in order to evade review.

welcomes the inroads upon *Precision, supra,* and *Kingsland* v. *Dorsey, supra,* which will necessarily result.

Du Pont's tacit admission here of at least partial error in the Third and Tenth Circuit decisions—if effective to induce this Court to deny review—will in no sense bind du Pont in the future. If du Pont can prevent review it will be free to advance blanket privilege and work product claims to shield its own patent solicitation procedures, already recognized in the district court as expedient in the specific context of Interference 89,634.[8]

Fraud and inequitable conduct in patent solicitation, as the petition notes (p. 19), are persistently a subject of great concern to Congress and the federal courts. Presently, a plurality of government and bar-association groups are seeking at least partial solutions to this increasingly aggravated problem. It is common knowledge that both the Commissioner of Patents and the National Council of Patent Law Associations have undertaken studies directed to the promulgation of conduct "guidelines" on patent solicitation. See for example the "1969 Committee Reports" of the Section of Patent, Trademark and Copyright Law of the American Bar Association, p. 243. The same committee reports show at p. 124 that this section itself has designated a *new* "Subcommittee C" of its Standing Com-

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[8] See A13, 264 F.Supp. 734 at 737 (D. Del. 1967), *aff'd* 388 F.2d 215 (3 Cir. 1968), holding *inter alia*, that "it is to be borne in mind that du Pont in presenting its case [in Interference 89,634] . . . had the advantage of being able to place in evidence documents tending to support its position and of suppressing any material which might tend to weaken its case".

The "9573 pages of documents" (R.Br. 4, n. 2) that du Pont says it later produced were awarded petitioner by the district and appellate courts in an effort to correct the recognized inequity.

mittee 103, "Patent Office Affairs—Patents", having as its purpose "to make a study of reported decisions wherein the issue of 'fraud on the Patent Office' was raised and to make recommendations as to how the situation of 'fraud on the Patent Office' can be alleviated or obviated." [9]

This Court has ever been alert to the problem of fraud in patent solicitation. It should act promptly to safeguard the full disclosure requirements of the patent laws and their federal supremacy against the incursions now permitted by the Third and Tenth Circuit decisions.

B. PETITIONER DOES NOT SEEK "ABSOLUTE ABOLISHMENT OF THE DOCTRINE OF ATTORNEY'S WORK PRODUCT IMMUNITY"

The petition (Pet. 27-33) evinces our concern that the decision below abridges the attorney's work product doctrine as properly defined for ordinary civil litigation in *Hickman* v. *Taylor*, 329 U.S. 495 (1947). As

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[9] Public discussion of the problem among educational and bar groups is also on the uptrend. On July 9 to 11, 1969 the Practising Law Institute held a seminar on "Consequences of Fraud and Patent Law Today" which was attended not only by many practicing private and corporate-employee lawyers, but by representatives of the Patent Office, the Department of Justice and the Federal Trade Commission.

On September 25 and 26, 1969 the Federal Bar Association, its Foundation, and the Government Patent Lawyers Association are jointly sponsoring a "Briefing Conference on Patent Law" which —from the printed announcements—will include two separate considerations of fraudulent patent solicitation. One is entitled "Fraud on the Patent Office—Patent-Antitrust Relation" and the other—a speech to be given by Mr. S. William Cochran, Deputy Solicitor of the United States Patent Office—is entitled "Historical Review of Fraud in Patent Procurement, The Standards and Procedures for Doing Business Before the Patent Office".

we stated, "the divergent case law developments in the work product doctrine since *Hickman* eloquently demonstrate that the time is ripe for this Court to look again at" the work product problem (Pet. 27). We asked for "a definitive guidelines opinion" (Pet. 33).

Recognition of work product immunity for patent solicitation in any form is but *one* of numerous departures from the letter and spirit of *Hickman* that are explicit on the face of the decision below. Review by this Court would have the effect of *revitalizing*—*not* "abolishing"—the work product doctrine within its proper ambit.[10]

C. THE IMPORTANCE OF THE PRESENT CONTROVERSY MILITATES IN FAVOR OF REVIEW

Du Pont argues (R.Br. 7-8) that the duration of pendency before the Patent Office of the patent applications involved in Interference 89,634 should be the basis for refusing review—and blames non-resolution of the interference at this time upon Montecatini's insistence "in seeking the truth about who is entitled to this patent", *Natta* v. *Zletz*, 405 F.2d 99, 101 (7 Cir. 1968), by the mechanism of obtaining relevant documents from its opponents.

Du Pont neglects to inform this Court that the same arguments advanced before the Patent Office in an effort to brand Montecatini as dilatory in the interference have found no favor. See 4b, *infra*. In the article entitled "Round Won in PP Patent Tangle" published in *Chemical and Engineering News* for May 5, 1969, p. 7, it was stated with specific reference to Interference 89,634 and the patent which the various

[10] As shown at Pet. 21, a decree that work product immunity is not available in patent solicitation *could only benefit* the public.

parties are therein attempting to obtain, that "At stake are licensing fees on a plastic whose U. S. production is valued at about $200 million this year." [11]

In *Graham* v. *John Deere Co.*, 383 U.S. 1, 18 (1966), this Court took particular pains to point out that the Patent Office, not the courts, has the primary responsibility for "sifting out unpatentable material"—thereby ensuring that defective patent applications do not become patents. In the present controversy involving a prospective patent of major commercial importance, this Court has a rare opportunity to assist the Patent Office in discharging that responsibility by ensuring a full opportunity to decide in the light of all the relevant information.

Indeed, even if this controversy *could* be viewed as one involving *only* the potential polypropylene patent which may emanate from Interference 89,634—and it manifestly has virtually infinite ramifications in the patent field—the size of the relevant industry that the patent will dominate and the potential commercial value of the patent itself make this controversy one of vast public importance.

D. CONCLUSION

The petition should be granted.

Respectfully submitted,

MARY HELEN SEARS
1000 Connecticut Avenue, N.W.
Washington, D. C. 20036
Attorney for Petitioner
Montecatini Edison S.p.a.

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[11] The article is reproduced at p. 1a of the "Reply Brief in Support of Petition for Writ of Certiorari" in No. 1346, October Term, 1968.

APPENDIX

Excerpts From August 15, 1969 Report of the Special Master in Misc. Civil Action No. 35 (D. Del.)

The allegedly protected documents (when fully assembled) filled 19 heavy cardboard file folders and 7 full cartons. The index of the documents was presented in two 250-page folio sized black volumes. . . . The total pages reviewed . . . have been approximately 14,200. (pp. 2-3)

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In Re Natta (3rd Cir. 1969) 410 F.2d 187 was an earlier stage of This Action. The holding of that case upheld a claim of work product for four letters. Three of the letters were from DuPont house counsel to DuPont management personnel and analyzed DuPont's interference case and evaluated its prospects. One was a letter from DuPont house counsel to a retained DuPont attorney also analyzing DuPont's case in the interference.

The Court of Appeals rejected Montecatini's assertion that work product and attorney-client privilege were offensive to public policy in patent solicitation situations:

> "We cannot conclude, however, that the proper application of work product and attorney-client privilege will be detrimental to the public interest or offend paramount federal patent policy, whenever a patent solicitation is involved." 410 F.2d 187, 190-1

The Court of Appeals was unequivocal in its rejection of the *Zenith* rule as regards patent solicitation. I conclude, therefore, that lawyers engaged in patent solicitation, turned out by Judge Leahy, have been welcomed back into the profession by Judge Layton and the Court of Appeals. The Court of Appeals said:

> "We have carefully examined appellant's attempts to show the absence of justification for the application of

attorney-client privilege and the work product doctrine where patent procurements by corporations are involved. We hold that in a particular situation both attorney-client and work product immunity may be available to the solicitation of a party's own patent. We reject the absolute rule urged by appellant. We deem it wise that flexibility be maintained and that sound judicial discretion be exercised on a case by case basis." 410 F.2d 187, 191

DuPont contends, however, that there remains a distinction between *ex parte* and *inter partes* patent solicitation. Documents arising out of *ex parte* proceedings (solicitation before the examiner, for example) would be exempt from protection under DuPont's formulation and those arising out of *inter partes* proceedings (interferences) would be protected. An examination of the briefs before the Court of Appeals shows that this point was discussed by the parties (Appellees' Brief, page 35; Appellants' Reply Brief, page 3; [15]). I find no such distinction in the Court of Appeals' opinion. . . . (pp. 11-13)

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[15] Montecatini says the point was covered in oral argument as well: . . . .

Excerpts From the July 16, 1969 Oral Opinion of the District Court for the Northern District of Illinois in Civil Action No. 66 C 1221

I have reviewed sheet by sheet each of the documents submitted in conjunction with the listing of April 11, 1969. . . .

I have reviewed in minute detail the sixty volumes of notes referred to in Standard's letter of July 11, 1969,

* * * * *

The final and reduced legal question before me is this: Is the public interest of such nature in this proceeding to permit the claim that there should be full disclosure at the

expense of both the lawyer-client privilege and the work product rule of Hickman vs. Taylor.

In this respect, I adopt the language of Judge Breitenstein in Natta vs. Hogan, 392 Fed. 2d 686, Tenth Circuit, 1969, at pages 691 and 692, wherein he stated:

> "We recognized that in patent proceedings the applicant must observe the highest degree of candor, honesty and good faith. In our opinion this does not foreclose the assertion of a claim of privilege in a patent proceeding. The attorney-client privilege is designed to facilitate the administration of justice in order to promote freedom of consultation of legal advisers by clients. We see no reason why this long-established principle should not be applied to patent cases."

Further, in this respect, I adopt the language of Circuit Judge McLaughlin, and his brethren of the Third Circuit, Judges Hastie and Stahl, in their Case No. 17524, rendered on April 18, 1969, in In Re Natta, et al., when on page 6 of the Slip Opinion to that case they said:

> "Although Judge Breitenstein was referring to attorney-client privilege, we are of the opinion that the same sound reasoning should be adopted with respect to the attorney work product doctrine."

Having found in fact and at law all of the documents presented to me for review in camera to be either materials coming under the lawyer-client privilege or the attorney work product doctrine—and having found the applicable law under the circumstances of this case that such privilege and doctrine shall in this proceeding not give way to the doctrine of full disclosure—on the matter of the materials reviewed in camera, I find for Standard and against Natta, and it is so adjudged and decreed that production thereof will not be ordered.

Excerpt From the June 30, 1969 Decision of the Patent Interference Examiner (Paper No. 427) in Interference No. 89,634

[I]n view of the public interest in minimum delay it is considered to be desirable and orderly to permit Natta et al. to request the setting of a special testimony time prior to the resetting of the junior parties' rebuttal testimony times. . . . Contrary to the arguments presented by the junior parties, the Patent Interference Examiner does not find that the facts set forth constitute an absence of diligence on the part of Natta et al. (pp. 7-8)

Petition Decision of the First Assistant Commissioner of Patents of July 30, 1969 in Interference 89,634

This is a petition by the party Baxter et al. from the action of the Examiner of Patent Interferences, on June 30, 1969, permitting Natta et al. to renew their request for the setting of a special testimony period.

Although based on the contention that Natta et al. have been dilatory, the present petition was filed on July 22, 1969, more than twenty days after the action complained of, and is therefore subject to dismissal under Rule 244(d). It has however, been considered to the extent of determining that the action of the Examiner involves no reversible error, and is accordingly denied.

Petition Decision of the First Assistant Commissioner of Patents of July 31, 1969 in Interference 89,634

Upon further consideration of the decision rendered July 30, 1969 in the above case, it is noted that July 21, 1969 was regarded as a legal holiday and that the petition filed by Baxter et al. was therefore not subject to dismissal as late as indicated in the said decision. However, for the reason indicated in that decision, the denial of the petition must stand.